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NEAR EAST/SOUTH ASIA REPORT

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ARAB-AFRICAN FINANCIAL COOPERATION EXAMINED

London AL-DUSTUR in Arabic No 283, 25 Apr 83 pp 33-35

/Article by Rabah Munir Shaykh al-Ard: "Afro-Arab Cooperation Facing Difficult Dilemma; 30 Minister of Finance and 300 Representatives of International Financial Establishments Meet in Algiers; Diminishing Financial Revenues in Oil Countries Overseeing Afro-Arab Rapprochement Are Simplest Manifestation of Ferocious Assault by West Against South"

/Text The first joint annual conference organized by five Arab financial houses was held in Algiers from 18-22 April 1983. These houses decided to cooperate in studying the actual condition of Afro-Arab cooperation in light of the financial "difficulties" being experienced by Africa generally and by the "developing oil countries" in particular. These difficulties emanate from the continued captivity of Africa and the Arab homeland to the "unequal exchange system." These countries' programs for industrialization, education, training and for the transfer of science and technology have failed. Their agriculture and housing conditions have also deteriorated and the majority of their population has been subjected to further poverty, malnutrition, and even starvation at times. But the Algiers conference has only touched on the superficial aspects of the crisis.

Africa's deteriorating financial conditions have motivated five major Arab financial establishments to organize this joint conference and to reconvene it annually in order to examine the developments in the financial and economic cooperation between the Arab homeland and all of Africa (excluding the racist regime in the southernmost part of Africa).

These five establishments are: The Arab Fund for Social and Economic Development, the Arab Development Fund for Africa, the Arab Agricultural Investment and Development Organization, the Arab Investment Insurance Organization and the Arab Monetary Fund. Algiers was chosen as the site of the meeting because Algeria is the "country acceptable to all." It is the contact point between the developing countries and other countries, between OPEC and the so-called "third world" and, finally, between the Africa located north of the Greater Arab Sahara and the Africa located south of this Sahara, "passing through the east and the west."

These major financial establishments did not confine their invitation to the conference to their own officials but turned the conference into a major financial-political demonstration for which they amassed a large number of important international organizations, banks and establishments, inviting to the conference 300 representatives of these organizations and 30 ministers of finance of the developed and developing capitalist countries, underdeveloped countries, and others just starting on the path to development.

Loving Mother

But the most important participant was the director of the OPEC Development Fund. It is to this loving mother that eyes turned to solve Africa's financial crises, even when this mother was about to lose in the past 2 months her bright and delicate dress, her golden slipper and her staff under the pressure of the western industrial countries, of the International Energy Agency, of the international oil monopolies and of some of the developing oil countries. But this organization's transient crisis did not prevent it from helping a number of sisterly developing countries, considering that the western industrial countries which colonized these developing countries for a long time and which are still colonizing them have been recently "compelled" to abandon these countries because of "their wretched and deep-rooted poverty" and this task /of helping these countries/ has been entrusted to the most appropriate party, namely the oil countries which enjoyed, at least until 14 March 1983, the reputation of being excessively wealthy. These "wealthy" developing oil countries have given the "poor" developing sisters more of their dwindling milk and of the increasing sweat of their brow.

But the agreement of the ministers of oil in London on 14 March 1983 not only reduced the oil prices and financial revenues but also intensified the black thought in the heads of the oil men and financiers in the oil exporting countries. If the ordinary budget, not to mention the development budget, of the countries selling their oil to the capitalist production centers in the United States, West Europe and Japan is nowadays facing the possibility of reduction of its resources because of the efforts of the leading production centers to export more of their problems and policies to the oil exporting countries, then it behooves the developing and tormented non-oil sisters also to take part in the search for a solution. The solution does not necessarily mean financial retreat, selfishness after generosity or following the miserable example given by Nigeria, one of these oil exporting countries which resorted to betraying its neighbors, after friendliness and charity, before it resorted to forcing its esteemed colleagues to reduce prices and to write poems /play on words/. Participation in lagging behind the bandwagon of science, technology and economic strength on the part of the undeveloped and tormented ladies /countries/ has also led to participation in the "development" catastrophe. This catastrophe does not only mean attainment by the Arab and African countries (whose affairs this Algiers conference has discussed) of a certain step on the ladder of development which they have not surpassed in years and years but also means the clinging of this "development" to these developing countries, without leaving them either rich or poor! Therefore, it is necessary to search jointly for a joint solution to the common problem and to cooperate firmly to formulate and implement this solution.

To Whom Is Milk Given and Why?

The most important aid advanced by OPEC in the few weeks preceding the London agreement consisted of a number of loans and grants received by the following countries:

1. Benin, which received two loans to bolster its agricultural development. The first loan was for \$4 million and for a period of 20 years, interest-free and for a fee of 7.5 per 1,000. The second loan was for \$2.5 million, for a period of 17 years, interest-free and for a fee of one percent. Added to the two loans was a grant of \$1.02 million to enable Benin to join the Joint Commodity Fund which supported by OPEC to help the developing economies which rely strongly on the exportation of one specific commodity, with the condition that the grant not be used for the storage of this commodity.

Benin, known in the past by the name of Dahomey, is a coastal African country located west of Nigeria. It has a population of 3.34 million people (according to the 1978 census) and a national per capita product of \$310 annually (which is double the similar per capita product in Somalia and Chad, the two poorest Arab countries). Benin's economy is based on agriculture and on the exportation of cotton, palm oil, cocoa beans and cement. Even though the national economy is organized on the basis of joint projects and despite the growth of the country's public sector, the control by foreign capital, especially French and U.S. capital and capital from a number of the EEC countries, has grown stronger in Benin. Therefore, it is not surprising that poverty has clung to Benin and that Benin has clung to poverty.

2. Mali, which acquired from OPEC a \$7.5 million loan to bolster its deteriorating balance of payments. The loan is for a period of 8 years and is interest-free. According to the 1967 census, Mali has a population of nearly 6 million people and its national per capita product is estimated at \$190 annually, thus putting it a little ahead of Somalia and far behind Benin and Sudan. In its semi-feudal economy, Mali depends on agricultural crops and livestock. The government has completed numerous industrial projects but foreign capital controls the economy through trade, financing and a number of local investments. Thus, the national economy has been confined to meeting the minimum needs of living and to channeling manpower especially toward exporting chufa, which is a type of peanut, gum, dried fish and hides, in addition to exporting livestock and sheep to France. The foreign public debt amounted in 1980 to 43.8 percent of the gross national product. But this rate is only one half what it was in 1970, thanks to the government's abidance by positive neutrality, to its encouraging agricultural cooperatives, to nationalizing the Niger Bureau which had controlled the agricultural sector, to reducing the reliance on some imports and to exerting efforts to curtail the influence of foreign capital on the national economy.

3. Gambia, which got an 8-year, interest free \$1 million loan to bolster its balance of payments. The loan is the seventh loan borrowed by Gambia from OPEC, with the total value of these loans amounting to \$10.15 million. Gambia's population is 6.3 million people and the national per capita product amounts to \$120 annually. Foreign capital has subjected this small country, which overlooks the Atlantic Ocean on one side and is surrounded by Senegal on all

three other sides, to a single-commodity economy. Gambia produces chufa, especially in the northern and central parts of the river on whose banks the country is built. It exports this commodity to the west. The Gambian people live on corn, rice, millet, livestock products, goats, sheep, pigs and chickens.

4. Sao Tome: It was a Portuguese colony before other capital invaded it. It has a population of 82,750 people (according to the 1977 census) and its national per capita product amounts to \$490. Its economy is based on the production of sugar, coffee, coconuts, palm oil, cocoa and fish. It exports cobra, coffee, bananas and palm oil. But this great activity and numerous resources have not prevented its being surrounded by the talons of international trade and financing. The OPEC Development Fund decided to grant it a 1 million dollar loan to bolster its balance of payments.

Other Infants Outside Africa

In addition to these four countries, the fund advanced in the first months of 1983 other loans to support a number of Asian and Latin American countries in the face of the effects of the general capitalist crisis and of its oil and financial aspects. The most significant of those loans were:

5. Thailand, which has a population of 45 million people, acquired \$15 million loan for a six percent interest rate and an additional fee of one percent and for an actual period of 18 years. Thailand is rich with economic resources, including mineral and agricultural resources, and has numerous industries, the most important being the cement, sugar, paper, textile and lumber industries. It exports rice, rubber, corn, zinc and numerous other commodities. But the control of western and Japanese capital has kept the national per capital product at \$670 annually. This is higher than the similar product in Egypt, Mauritania, the two Yemens and Sudan but it does not exceed one-seventh the similar product in the poorest industrial country, namely Ireland, and one-fifth the similar product in the poorest semi-socialist industrial country, namely Poland. This loan is the fifth of the kind obtained by Thailand from OPEC which has advanced so far to this developing country a total sum of \$58.8 million. The loan will be channeled to develop the (Rayong) liquefied natural gas project to reduce the heavy dependence of this neighbor of Indonesia's on imported energy. These imports have risen in the past 2 decades from 12 percent to 31 percent of Thailand's commodity imports and the national per capita energy consumption has risen from the equivalent of 60 kilograms to 353 kilograms of coal. But this consumption is still less than two-thirds the similar consumption in Egypt and one-third the consumption in Syria.

6. Honduras, which received a loan for \$7.25 million for an actual period of 25 years with an interest rate of one percent and a fee not exceeding 7.5 per 1,000. The loan, in participation with the International Reconstruction and Development Bank and the Venezuelan Investment Bank, will be channeled to pay for the costs of the civil engineering work at the Puerto Castilla port. Honduras is a small country in Central America with a population of 3.19 million people (according to 1978 statistics) and a national per capita product of \$560 annually. The country's economy is based on agriculture which is controlled by U.S. and West European capital, especially the United Fruits Company and the

Standard Fruits Company. These two companies own five percent of the country's cultivable lands and these rich lands produce one-half the agricultural production, one-half the value of the exports and 13 percent of government revenues. Therefore, it is not surprising to find the international firms aspiring to export the country's mineral resources, which include antimony, iron, coal, mercury, copper, silver, gold, lead and zinc, through this port.

7. Yemen: The PRDY received a loan of \$10.2 million to bolster its subscription to the Joint Commodities Fund, like Benin (this is the 25th grant of its kind, with the total sum of the grants amounting to \$37.16 million received by 35 developing countries, in addition to \$46.4 million more donated by OPEC to the Joint Commodities Fund).

Regrettably, the developing oil-exporting countries are only slightly interested in creating a broad front including all the developing countries which have been forced by the existing capitalist system to rely on exporting one or two fundamental commodities in managing their economic affairs. The prices of these commodities are subject to the laws of the "unequal exchange" which Greek economist Argyris Emmanouil and the economists of other developing countries have explained well. If the nature of oil in the international commodities system has enabled the developing oil-exporting countries to unite in bolstering oil prices, even if not in a totally satisfactory manner, most of the other products produced by these poor countries are more difficult to organize in the same manner. This is why it was essential for OPEC to establish and bolster such a fund.

A quick glance at the activity of OPEC in 1982, when the organization could hardly stand on its own feet, is certain to reaffirm this solidarity and unity, despite the service OPEC renders the capitalist production centers in the industrial west free of charge!

In 1982, the Development Fund set up by OPEC advanced nearly \$3 billion to support the developing countries in the face of the general capitalist crisis exported to them, even though only 60 percent of the sum has been spent so far. These sums have been distributed in four areas: \$22.7 million for agricultural development, \$22.5 million for transport sectors, \$10 million for developing energy sources and \$7 million for developing water supplies /figures as published/. The most important loans granted by the Development Fund without charging any interest, except for two loans for which an annual interest rate of three percent has been charged, include: A loan of \$22.5 million for the modernization and maintenance of Indian railways, a loan to the YAR for \$10 million to build an electric power plant in Mukha, loans to endorse three projects in Mali, Mauritania and Senegal concerning construction of the joint (Mintali) dam to generate electricity, with the loans amounting to \$7.4 million, \$3.3 million and \$9.3 million respectively, a loan of \$3 million to support four cities in Lesotho, a loan to complete the second phase of development of a river in Haiti and a loan of \$900,000 for the Maldives subsidiary fisheries.

OPEC has charged for all these loans a fee of no more than one percent in return for the services necessary for implementing the loans. Most of the loans have been for a 17-year period, in addition to a 5-year grace period. What generosity and easy terms are greater than this generosity and these easy terms?

Beware of Benevolence of Those You Have Harmed!

But the granting of this financial aid by the developing oil countries to their sisters in the "south" has not prevented the south from sinking deeper into poverty and destitution. Even though most of these loans were granted in coordination with a large number of "development agencies" and similar funds which in their turn advance numerous other loans, this effort has amounted to no more than a drop in the deluge which the developing African countries need.

These countries are subject to the unjust international socioeconomic system. They do not control much of their economic affairs and some of them do not control any of these affairs. Thus, their destiny is always in the wind. For example, when these winds blow in Nigeria, which is not a rich country even though it is an oil country, then they immediately sweep to Ghana, Nigeria's poorer neighbor. This is because the strong impact of Nigeria's foreign relations on its internal conditions and the control of Nigeria's unbalanced social relations by its corrupt political administration have not permitted Nigeria's oil resources to achieve a balanced and comprehensive development. The mere nationalization of the property of the international monopolies has not rescued the overwhelming majority of Nigeria's population, one-half of whom consist of Sudanese Arabs, from poverty and backwardness. All this has motivated the present government of President Shagari to delay detonation of the crisis and to solve it partially at the expense of foreign workers, expelling 2 million of them. If these workers depart to their neighboring countries, they will immediately create in Ghana a new crisis, thus spreading Nigeria's original crisis and intensifying Ghana's emerging crisis which, like Nigeria's crisis, emanates from the continued connection with the western interests in the two countries. The impact of this imbalance and this crisis has been further intensified by the spreading fires in Ghana's forests and by the spreading drought in the Sudanese belt bordering the Arab-African sahara in the south. On 13 April 1983, the president of the Republic of Ghana was compelled to appeal to the world to supply his country with immediate shipments of corn, rice, wheat and meats, saying that unless this essential aid is delivered immediately, his country would face a certain catastrophe. The appeal was voiced 5 days before the Arab financiers conference was held in Algiers, challenging their aspirations to bolster the Afro-Arab cooperation under the "south's" deteriorating conditions.

Tampering With Battle of Distribution

Listening to reports of the aid advanced by the five Arab organizations which held their first conference in Algiers or to reports of the positions taken by cabinets and by other international financial organizations has not at all helped in dealing with the basic problem, namely the failure of development in the (non-)developing countries because of the failure of both the theoretical premises and practical organizations of this development.

It is unreasonable for the non-oil developing countries to find themselves at present in a better condition than the developing oil countries. This failure to understand the battle of "development" which is aimed at the throats of all the developing countries and the failure to transform this battle into something that would bridge the wide civilizational gap between the west and the south is

the result of the developing countries' clinging to the unequal exchange system and of this system's clinging to them. This failure has bolstered the western industrial countries' efforts to strengthen this system by solving the "general capitalist crisis" through spreading it so that recession, unemployment and corruption may permeate all four corners of the earth in order that these affluent countries may regain what controls they have lost to the poor countries in recent years in the battle of the distribution of power and wealth.

The economic policies being implemented by President Ronald Reagan, by Margaret Thatcher, by Chancellor Helmut Kohl and by other rulers attack the victims of the "unequal exchange" in both the west and the south and the economic concepts formulated for them by Milton Friedman and his colleagues today and by Maynard Keynes and his followers yesterday--concepts apologizing for the objectives of the "unequal exchange"--all flow into one crucible and seek one objective: Create specific premeditated crises to reinforce the "general crisis." But creating the specific oil, debt and starvation crises serves, as does creating, managing and apologizing for the "general crisis," the interests of the money makers, of their major banks, their international firms and their holy families: Rockefeller, Dupont and Mellon.

The diminishing financial revenues in the developing oil countries overseeing the Afro-Arab cooperation are nothing but the simplest manifestation of the ferocious assault by the west against the south. Until the developing countries unite in understanding and confronting this challenge collectively, there can be no successful response to the challenge, regardless of how hard those concerned with taking money or with giving it try.

8494

CSO: 4504/361

ALI OUBOUZAR ON THE ECONOMY, ALGIERS INTERNATIONAL FAIR

Algiers EL MOUDJAHID in French 18 May 83 p 5

[Interview with Ali Oubouzar, state secretary for external commerce, on the occasion of the 20th Algiers International Fair, by Omar Belhouchet, date and place not given]

[Text] The most important aspect of the 20th Algiers International Fair, the economic crisis and its effects on Algeria, the external trade balance, possibilities for exports of Algerian products, South-South cooperation: these were the subjects discussed by Mr Ali Oubouzar, state secretary for external commerce, on the occasion of the 20th Algiers International Fair.

[Question] The Algiers International Fair is opening in a few days. What are the major themes of this 20th fair, inasmuch as it is being held at the very time the new development plan is being actively prepared?

[Answer] The Algiers International Fair is going to open 2 days from now. It has been a major economic event every year for the past 20 years.

The most important part about this 20th fair is that it is a faithful reflection of economic and social development in our country as well as of the position our country holds in world trade.

The Algiers fair has become one of the biggest fairs in the Mediterranean Basin, since this year we are going to host 43 countries and 1,900 foreign firms. Those two figures are very impressive ones for a fair as young as ours.

But if international participation is important, domestic participation is even more so.

So this year we will have 217 socialist enterprises, 12 ministries and 18 private sector enterprises. Thus all the economic and social activities of the country will be represented.

This fair is a veritable portrait of the country's economy, one which enables us to verify with our own eyes the concrete results we have obtained to date.

There is no doubt that this fair, coming on the eve of the [party?] congress and the launching of the new 5-year plan, assumes special importance, because it enables us to assess our progress to date and to inventory our potentialities in preparation for the future.

[Question] The Algiers fair has always provided an occasion for reviewing the status of the country's development and in general assessing the foreign trade picture. What could you say on that subject, Mr Minister?

[Answer] It is true, During the fair we receive many foreign delegations, many of them headed by ministers, so for us it is an opportunity to review our commercial relations with our principal partners.

This year, like each of the last 4 years, our external trade is doing well, since we have shown a significant surplus in our trade balance which permits us to cover our service sector deficit and begin to reduce our external debt, which was engendered by the sizeable development effort which we are continuing to pursue without respite.

These remarkable results--remarkable given the difficult economic crisis around the world--are not simply a matter of good luck; they are the result of a sound economic policy and effective planning and the total control over external commerce which we have thanks to the state's monopoly on it.

[Question] The price of petroleum products--which are the country's principal export--dropped quite recently, following the decision made by OPEC [Organization of Petroleum Exporting Countries] last March in London. What are the consequences for foreign trade? Is our trade picture to become unbalanced? Will our overall import program have to be revised?

[Answer] The decline in the price of oil has affected us, as it has affected all the OPEC countries, and it caused our revenues to fall 15 percent short of targets, or more than \$2 billion. But thanks to our farsightedness and control over the essential economic levers, the readjustment has been made painlessly, unlike what has happened in other countries, and our economy continues to function normally, and the population continues to live properly without major privations. On that point, I would like to pay homage to our people, who showed remarkable serenity in the face of the little daily privations.

[Question] The world economic crisis has.....effects on all the economies of the developing countries. Might we know, Mr Minister, how this crisis has effected the domestic economy and what sectors are most affected?

[Answer] The economic crisis we are experiencing has affected all the people on earth, particularly those in the developing countries, because they are the most vulnerable. While the industrial countries had to reduce their standard of living and endure unprecedented levels of unemployment, the socialist countries themselves had to cancel development programs.

As for Algeria, we cannot say that we have not been affected, since our external revenues were 15 percent below the initially predicted levels, as I

was just saying, but the fact that our economy is inward-looking--that is, that our production, except for hydrocarbons, is primarily destined for the domestic market--this has protected us from the vagaries of the international market. What saved us somewhat was the internal market, which we have created since independence, wherein demand is often greater than supply.

[Question] For several years now Algeria has moved toward a broad diversification of its foreign trade. What are the initial results of this move? Could one say that new trends can be seen in foreign trade?

[Answer] Algeria, which 20 years ago was 90 percent dependent on the colonial power, has achieved a broad diversification of its trade, thanks to the economic independence we enjoy.

Our trade with the socialist countries and the Third World, which 10 years ago was only 4 percent of our trade, reached 14 percent in 1982.

We have trade relations with about a hundred countries, and none of them is in such a dominant position in our trade as to jeopardize or compromise our freedom to maneuver, which remains unrestricted.

[Question] Faithful to its commitment to strengthen South-South cooperation, Algeria is presently holding expositions in Africa in order to make Algerian products more widely known: what is the purpose of this initiative, and what can be expected from such a move?

[Answer] We are making strenuous efforts to increase our trade with the southern countries, in order to be faithful to our political positions. It is in this context that we have organized expositions in Mauritania, Mali and Zimbabwe.

These expositions provided an opportunity for us to make our products more widely known. I might add that our products are of high quality and are well received. What we lack is quantity, and also experience in exporting. We are making an effort to remedy this, since the post-petroleum era is just around the corner.

9516

CSO: 4519/231

ALGERIA

IMPORTS POLICY VIEWED FAVORABLY

Algiers EL MOUDJAHID in French 18 May 83 p 5

[Text] Last March, when 13 petroleum ministers from OPEC countries met in London and decided to decrease the reference price for crude oil by \$5 [per barrel], the enormous losses this group of countries was facing became apparent in the first hurried calculations. Now these losses have been confirmed by the governments of these countries. Development plans, investment programs and imports have all been scaled down.

Trade publications have very tendentiously made a great deal of the subject in order to demonstrate how fragile the economies of these countries are. IN the case of the countries with large populations whose needs have always been immense, the severity of the cutbacks is understandable. Less easily understood, however, are the substantial structural changes being made by some states--particularly Arab nations--that have good exchange-earning potential, given the small size of the population.

In the case of our own country, both foreign observers and experts on the subject have been struck by one fact: Algeria has succeeded in staying on course. In general, the national economy's demand for equipment goods, materials, semi-finished products...and social welfare has been substantially satisfied, despite the fact that revenues declined 15 percent from earlier predictions.

The tables published below show this very clearly. Only the figures for industrial consumer goods show a slight decline, which is attributed to the emphasis in recent years on importation of televisions, refrigerators...

Since the market for these products has now stabilized, it was quite natural for overall imports of these products to decline slightly. Semi-manufactured products also went down slightly, principally because of improvements resulting from efforts toward better maintenance and upkeep. In the future, whenever there is the slightest breakdown of equipment, or the slightest defect in machinery, imports will no longer be licensed automatically, without any question, without first exhausting all possibilities of maintenance and repair--possibilities which in general are too much neglected.

This being the case, the decline in the price of crude oil--the country's principal exchange earner--has somewhat upset the staffs of the technical

ministries. Fundamental questions have been argued. Differences have arisen over the methods used to predict the future, which seemed unstable because of the oil market and its distressing trend. It is true that our targets did not quite take this instability into account. The London decision, however, did have the virtue of stabilizing the market, and it is even possible that OPEC may raise prices again.

Now that the immediate future of the market is not so clouded, we can say, in the words of that official in the state secretariat for foreign trade: "Calamity is not upon us, but we must remain vigilant." But why, ultimately, can Algeria remain so undisturbed when it does not have the energy and financial resources of countries like Saudi Arabia and Kuwait, while its population and the needs of its economy are great?

"Our strong point," according to sources in the same milieu, "is basically the existence of the governmental monopoly on external trade, which means there is a single locus of responsibility for decisions." That implies the existence of a sole rational decision. Thanks to the monopoly, the state has in its hands an irreplaceable lever enabling it to adapt to the instability of the current economic crisis.

It is a lever which neither Mexico nor Nigeria have, though both have been damaged by the crisis, as is well known. This state control over the "commanding heights" of the economy has enabled things to be brought under control quickly. Mr Ali Oubouzar, in the interview he gave us, introduced a second parameter in his analysis: "The fact that our economy is inward-looking, that is, that our production, except for hydrocarbons, is primarily destined for the domestic market, this has protected us from the vagaries of the international market." A third factor, according to our economists, is state control over indebtedness, "which is kept within reasonable limits."

Trends in the Composition of Imports by Product Groups*
1979-1983

			U.:109DA		
	1979	1980	1981	1982	1983
Consumer goods, food	5.2	7.8	9.1	9.1	9.0
Consumer goods, industrial	1.8	2.7	2.7	4.4	2.0
Raw materials and semi-manufactured products	11.4	14.5	17.4	18.5	17.0
Equipment goods	14.0	15.5	18.3	16.0	18.0
TOTAL	32.4	40.5	47.5	48.0	46.0

*statistics from the state secretariat for external commerce, prepared by Customs.

Trends in Trade by Geographic Zones

	1979		1980		1981		1982**	
	Import %	Export %	Imp %	Exp %	Imp %	Exp %	Imp %	Exp %
European Economic Community	62.3	38.1	62.0	38.4	58.0	47.6	50.5	64.8
North America	9.3	51.2	10.1	49.2	11.2	34.0	11.3	16.5
Other European Countries	11.7	5.0	11.4	5.0	12.1	5.6	13.3	8.5
Socialist Countries of Europe	4.9	2.5	4.2	2.9	4.7	3.6	5.7	1.2
Latin America	3.1	1.1	3.7	0.7	4.9	1.3	4.1	1.5
Asia	5.9	0.8	5.4	2.9	6.1	6.4	7.4	3.7
Arab Countries	0.6	-	1.0	-	1.4	-	0.9	0.4
Africa	2.2	0.8	2.2	0.9	1.6	1.5	1.4	1.15
Rest of World	-	0.4	-	-	-	-	5.4	2

**For 1982 the figures are still preliminary.

9516

CSO: 4519/232

DETAILS OF MAY 1971 EVENTS REPORTED

London AL-DUSTUR in Arabic No 285, 9 May 83 pp 3-6

/Article by Jamal Isma'il: "This Is How 'Abd-al-Nasir 2 Organization Was Arrested; Decisive Hours and Pass Word Said by Haykal to al-Sadat; Ali Sabri in Telephone Conversation with Sha'rawi Jum'ah: Al-Sadat Will Topple Nasirists and Then Topple Entire Country; Al-Sadat After Declaration of Triparite Union: Now I Can Talk With United States in Name of Three Countries"/

/Text/ The disagreement between al-Sadat and those whom he called the "centers of power" turned into an open conflict in the Higher Executive Committee over the tripartite unity issue and extended from that committee to the Central Committee. But this conflict had begun when al-Sadat became president of the republic after having built up during the years preceding al-Sadat's assumption of this position.

With 'Abd-al-Nasir's death, it had become obvious that government through the constitutional institutions, namely the Executive Committee, the Central Committee, the People's Assembly and the other decisionmaking institutions, was the logical situation for the following phase.

At the time, a call surfaced for reviving the Revolutionary Command Council. But this call was received with opposition, even by veteran council members such as Khalid Muhyi-al-Din who said at the time that the Revolutionary Command Council was an unrepeatable historical phase and that with the death of the "leader," the legitimate government should be in the hands of the state's constitutional institutions. The masses, through the political channels existing at the time, expressed the same opinion in debates and slogans to the effect that after the "leader's" death, the president of the republic must rule within the jurisdiction set for him by the constitution, with the help of the various government agencies and state institutions.

These convictions were prevalent when al-Sadat assumed the presidency officially on 15 October 1971. But al-Sadat, who had taken the oath to follow 'Abd-al-Nasir's path and had pledged that political action would be conducted through the constitutional and political institutions, knew perfectly well from the first moments what he wanted and what he sought to achieve. Al-Sadat wanted to rule Egypt as a leader, the same as 'Abd-al-Nasir. He was also aware that it was impossible to achieve his goal under the canopy of the existing state institutions. His first step was to get rid of the "heads" in those institutions and in power.

There is an incident to whose authenticity more than one witness attests, namely that at the outset, al-Sadat asked Sha'rawi Jum'ah, the deputy prime minister and minister of interior, to hold new elections within the Socialist Union and for the People's Assembly on the occasion of his assumption of the presidency. But Sha'rawi Jum'ah, who was at the same time the political organization's secretary, made it clear to al-Sadat that there was no need to hold such elections under the internal and external circumstances existing at the time.

Al-Sadat held his peace and waited until the idea of establishing a tripartite union with Syria and Libya suddenly appeared to him on the horizon, constituting for him an opportunity to change the power structures and to eliminate his "opponents" in power.

The idea emerged suddenly and al-Sadat became eager to implement it and to declare the unity. It is reported in this regard that Libyan chairman Mu-ammarr al-Qadhdhafi took aside Vice President 'Ali Sabri during the Benghazi meeting and whispered to him his surprise at al-Sadat's eagerness to declare the union, asking Sabri if Egypt was experiencing a "crisis" or internal problems. The answer was in the negative.

Let us pause here to point out another incident revealed by Muhammad 'Abd-al-Salam al-Zayyat who supported al-Sadat in the May 1971 events and command an armed force which stormed and took control of the radio and television building--an incident after which al-Zayyat was appointed minister of information.

Muhammad 'Abd-al-Salam al-Zayyat says that after getting what he wanted and after declaration of the tripartite union, al-Sadat felt greatly relieved and told him: "Now I can talk with the United States in the name of three countries." Al-Zayyat quoted this phrase by al-Sadat to his comrades in the jail cell when he, along with the leaders and cadres of the Egyptian national movement, with its various viewpoints, were arrested by al-Sadat in September 1981.

Let us return to the May events and the open confrontation which had begun inside the Socialist Union's Executive Committee and then the Central Committee where 'Ali Sabri presented his viewpoint on the unity plan in an hour-long speech which al-Sadat tried to interrupt. But the majority demanded that Sabri finish his address.

The outcome of the meeting was not in favor of al-Sadat and it was evident that al-Sadat, along with a negligible minority, stood on one side whereas the majority supported the other side.

At that meeting and after 'Ali Sabri delivered his address, Dr Mustafa Fahmi Abu Zayd, who was appointed by al-Sadat after 15 May as the socialist public prosecutor in the case of the centers of power, intervened, saying that he believed that the disagreement between the president and 'Ali Sabri could be eliminated by amending some provisions of the disputed unity plan. The session was terminated at this point and a second session was held a few days later in which the amended plan was read and approved by the Central Committee. Despite this, al-Sadat had decided not to let the opportunity of the disagreement pass without dealing his blow to hit more than one bird with one stone. The first days of May 1971 abounded with surprises which ended with al-Sadat emerging victorious.

On May Day

During the May Day celebrations, al-Sadat delivered a speech in Hulwan signaling the start of the assault against his opponents in power and in the state's constitutional institutions.

What al-Sadat said was to the effect that he would not permit any "individual" or "group" to impose his custodianship on the "people" and that there were "centers of power" that had to be eliminate" after liquidated. By individual," al-Sadat meant 'Ali Sabri and by "group," he meant the Central Committee members. As for "people," he intended it to mean him personally.

The celebration was concluded and on 2 May 'Ali Sabri learned by telephone that al-Sadat had decided to relieve him of his position as vice president. On the following day, the press published the news of his dismissal.

Upon his dismissal as vice president of the republic, 'Ali Sabri submitted his resignation from the membership of the Higher Executive Committee so that the committee may either accept the resignation and relieve him from his responsibility in support of the president or reject the resignation and reaffirm his right to engage in dialogue.

The resignation was submitted to the Central Committee which had previously elected him to the membership of the Executive Committee. It was sent to 'Abd-al-Muhsin Abu al-Nur in his capacity as the Socialist Union's secretary general. Abu al-Nur was one of those arrested in the case of the centers of power. The resignation explained the causes but it was not submitted to the Central Committee! There are those who interpret this by saying that all had believed the crisis to be a mere summer cloud which would pass with dialogue and lead to compromises. But the "crisis" began to intensify and move, ending up in the dismissal of Sha'rawi Jum'ah, the deputy prime minister and minister of interior, on 13 May, i.e. 10 days after 'Ali Sabri's dismissal. Then collective resignations were announced, including Lt Gen Muhammad Fawzi, the minister of war and the armed forces general commander; Muhammad Fa'iq, the minister of information; Hilmi al-Sa'id, the minister of electricity; Dr Labib Shuqayr, the People's Assembly speaker; Ahmad Kamil, the director of general intelligence; Sami Sharaf, the minister of state for presidential affairs; and a number of top officials.

Events then followed in rapid succession. Between Sha'rawi's dismissal and the collective resignation of the ministers on the same day and the following day, large-scale arrests were carried out against the Socialist Union leaders and against the press and media agencies whose positions were well known and which opposed al-Sadat's monopolization of power. Moreover, al-Sadat had born a grudge against a number of those leaders for stances which he had endured unwillingly during President 'Abd-al-Nasir's days.

Two Conflicting Stories

How was al-Sadat, and the few supporting him, able to sweep away the group which had controlled most of the state institutions and held sensitive positions?

Disregarding the opinion and analysis of the "majority" which was toppled by al-Sadat, testimony by two members of the minority which supported al-Sadat can shed more light on the issue.

The first testimony comes from Muhammad Hasanayn Haykal who played a fundamental role in establishing al-Sadat's rule and the second comes from Lt Gen Muhammad Sadiq, the chief of staff of the armed forces at the time of the events and the minister of war since 15 May. Sadiq's testimony came last May when one of the Egyptian partisan papers published his memoirs a few months after al-Sadat's assassination.

It is obvious from the succession of events, as recounted in his memoirs, that Lt Gen Sadiq had learned before others of the nature of the disagreement between al-Sadat and the centers of power group and that he, before others, exerted efforts to guarantee the army's neutrality or nonopposition to the president of the republic.

So Lt Gen Sadiq conducted several field tours during which it became evident to him that the commanders of the main branches of the armed forces and the commanders of the armies, formations and units "had been aware of the issue and that what was preoccupying them was to prepare for the battle."

Sadiq avoided contacting the commanders "loyal to Muhammad Fawzi" and imposed on them strict surveillance throughout the 24 hours of the day "with the help of a number of loyal and capable intelligence officers."

Lt Gen Sadiq made sure of the position of the Republican Guard by inviting Gen Sa'd-al-Din Mutawalli, the chief aide de camp, to breakfast at his home and explaining the situation to him. The viewpoints met and the two agreed that the chief aide de camp would convey a message from Lt Gen Sadiq to Maj Gen al-Laythi Nasif, the Republic Guard commander at the time and the man who later died under mysterious circumstances in London.

Lt Gen Sadiq warned Maj Gen al-Laythi and held him responsible for any action he may embark on, notifying him that he, Sadiq, would issue his instructions as chief of staff of the armed forces for deploying antitank missile ambushes on the entrances and exits of the Republican Guard camps, with the order to shoot.

Even though Lt Gen Sadiq has asserted that the first contact between him and al-Sadat took place after Sha'rawi Jum'ah's dismissal and the collective resignation of the ministers, he believed that "the president of the republic was in a state of fear and anxiety and did not know what to do, with the noose tightening around him day by day." This is why Sadiq decided after profound consideration that "a message had to be sent to Haykal to light for him the way and to make him aware of the situation."

Lieutenant General Saidq says that his message to Haykal was carried by a military correspondent working in AL-AHRAM. Upon completing everything, Sadiq contacted al-Sadat and told him that everything was proceeding as desired. Al-Sadat then asked him to come to his residence to take the oath as minister of war.

Sadiq says that after he had taken certain steps, such as making sure that the special forces were prepared to intervene against the Republican Guard, President al-Sadat asked him to move a number of the guard's tanks to al-Qubba Palace but that he declined. Al-Sadat repeated the request and Sadiq declined again. Sadiq then went to the president's residence and found there Dr Mahmud Fawzi, Dr 'Aziz Sidqi and Haykal. This happened "after Fawzi's group had revealed its cards with an open confrontation with the president of the republic on the unity issue," according to Lt Gen Sadiq.

Haykal's Testimony

Muhammad Hasanayn Haykal believes that the decisive night in the struggle between al-Sadat and the "centers of power" was the night of 11 May 1971--the night on which a police officer arrived at al-Sadat's residence carrying the tapes of telephone conversations recorded at the Telephones Control Directorate of the Ministry of Interior.

In the early morning of 11 May, al-Sadat sent his eldest daughter to Haykal's residence to summon him for an important matter. When Haykal arrived, he saw al-Sadat wearing his "pyjamas" and standing on the balcony separating this bedroom from his wife's bedroom on the second floor of his house in al-Jizah, with a tape recorder in front of him. Al-Sadat asked Haykal to sit down and listen.

Haykal says that he became aware of the serious situation and proposed to al-Sadat to let the late Dr Mahmud Fawzi share the secret with them. Here, let us pause to say that the two recorded tapes to which Haykal listened with al-Sadat at al-Sadat's residence have been transcribed and recorded in the files of the investigations conducted by the public prosecutor at the outset. They consist mostly of recordings of telephone conversations between members of the group opposing al-Sadat. The tapes include the recording of a telephone conversation between 'Ali Sabri and Sha'rawi Jum'ah after the former's dismissal. It is a conversation that dots numerous i's and crosses numerous t's.

'Ali Sabri says /in the taped conversation/ that this man (al-Sadat) will topple the Nasirists and then "the entire country." 'Ali Sabri also said that he knew that al-Sadat will form a special court to try him and might issue a death sentence against him "but shall I leave the country to be ruled by Jihan?"

In this conversation, Sha'rawi Jum'ah's reply was that all matters in Egypt should take the democratic form!

There was no time, says Haykal in recounting the events of the decisive night, adding that Lt Gen Fawzi was scheduled that day (11 May) to accompany al-Sadat to a meeting of the armed forces commanders. Haykal advised al-Sadat to go and to take the opportunity to make certain of the position of Lt Gen Muhammad Sadiq, the chief of staff, and "we agreed to meet on the evening of that day to discuss the matter again, along with Dr Fawzi."

Haykal does not refer to the incident of the message conveyed to him by a reporter of AL-AHRAM from Lt Gen Sadiq but says that he felt the "first warning

of the likely future developments when Sadiq once whispered in my ear at a meeting: 'Tell this man (meaning al-Sadat) to wake up and to beware!'"

On the strength of this advice, Haykal advised al-Sadat to keep his lines with Sadiq open and to try personally to make sure of the position of Maj Gen al-Laythi Nasif, the Republican Guard commander.

Let us pause again.

In the book "The Autumn of Fury," Haykal refers to a written order issued by Lt Gen Fawzi instructing Chief of Staff Lt Gen Muhammad Sadiq to coordinate with military intelligence, the sixth mechanized division, an infantry brigade and the military police to secure Cairo's entrances. Lt Gen Sadiq revealed this document last May and said that he kept it because he was aware that it was a serious document that "could lead to sentencing some of them to death and stiffening the sentence against others."

Sadiq says that he did not seek to inflict any harm on Lt Gen Fawzi "or on any of his group's members." If they embarked on a conflict with the president of the republic because of the difference in viewpoints, then this was their decision.

But Lt Gen Fawzi has answered Sadiq, explaining that the document was a routine matter dictated by the conditions of the war with Israel, especially since the cease-fire period established on the basis of the Rogers initiative had neared its end.

Let us return to Haykal's testimony. We find that he confirms the nature of the circumstances existing at the time and says that William Rogers, the U.S. secretary of state, had arrived in Cairo on 4 May and presented new proposals to solve the Middle East crisis, to which al-Sadat replied with alternative proposals. Al-Sadat then summoned Lt Gen Fawzi to familiarize him with Rogers' proposals. On the following day, Lt Gen Fawzi submitted a hand-written report in 12 small pages on the armed forces' opinion of the Rogers proposals and to the effect that those proposals and al-Sadat's alternative proposals were unacceptable.

Haykal considers the presentation of this report by the minister of war and the armed forces general commander as the opinion of the armed forces a "crude" pressure act in which Lt Gen Fawzi engaged.

Al-Sadat's Victory

On the basis of the recorded tapes and on that decisive night, Sha'rawi Jum'ah was relieved of his position as deputy prime minister and minister of the interior on 13 May 1971. On the same day, the Voice of the Arabs began to broadcast patriotic songs and to rebroadcast the story of 'Abd-al-Nasir's life. The collective resignation presented by a number of ministers, including Minister of Information Muhammad Fa'iq, was then broadcast and Fa'iq left the station building for his home after the statements of resignation were broadcast. When a large number of media men and broadcasters, including Muhammad 'Uruq, the director of the Voice of the Arabs, were arrested, Muhammad Fa'iq sent a

message to al-Sadat declaring his responsibility for broadcasting the collective resignation and all that was broadcast on that day in his capacity as the minister in charge.

Thus, the arena became clear of the opponents and al-Sadat prepared for the moment of taking revenge "on all of them."

He decided to tell the masses of the details of his struggle with the centers of power group, seeking to stress that his opponents had tried to prevent him from negotiating with the U.S. secretary of state. In his testimony, Haykal says that he advised al-Sadat that the "issue" that concerned the people directly under that circumstance was the issue of democracy and liberties and that focusing on this issue would mean al-Sadat's gaining the people's support.

On the morning of 14 May 1971, i.e. 7 months after he assumed power, al-Sadat became the actual ruler of Egypt, having rid himself of the "dictatorial centers of power." He came with "democracy" to begin an era abounding with events and ending with the event on the reviewing stand on 6 October 1981.

During 10 years, "the supporters" began to abandon him or he got rid of them one after the other.

Dr 'Aziz Sidqi disappeared from the political arena, al-Laythi Nasir, the Republican Guard commander, fell from the 14th floor balcony of a building in the center of London and Muha-mad 'Abd-al-Salam al-Zayyat disappeared from the arena and was then arrested. Lieutenant General Sadiq was far away before the October 1973 war started and today Sadiq asserts that he had absolutely nothing to do with what al-Sadat did politically after triumphing over the "centers of power" group, that what happened on 15 May was not a revolution and that al-Sadat, after what had happened, asked him to dismiss General Fawzi's supporters in the army but that he declined to do so.

As for Haykal, who had a lot of mutual "misunderstanding" with the "centers of power," both during 'Abd-al-Nasir's days and after his death, he supported al-Sadat, believing that 'Abd-al-Nasir's thought was not the exclusive monopoly of anybody and that al-Sadat "will develop in his political thinking."

We have pointed out the phrase which Muhammad 'Abd-al-Salam al-Zayyat had quoted al-Sadat as having said, namely that the tripartite unity meant that he could talk with the United States in the name of three countries.

Al-Sadat "did talk" with the United States and with Israel and the results of this talking are obvious today.

But there remains a number of questions: When did Haykal decide on his position against the centers of power and for al-Sadat? Why did the ministers submit their collective resignation, and so easily? How did the events of May 1971 take place amidst almost total Egyptian calm?

PROBLEMS FACING INVESTORS IN PORT SAID FREE ZONE DISCUSSED

Cairo AL-MUSAWWAR in Arabic No 3053, 15 Apr 83 pp 32-37

[Article by Buthaynah al-Bili: "Port Said Feee Zone Investment Projects Are Threatened With Stoppage"]

[Text] The red light at the gate of the Port Said free zone warns that matters must be settled immediately, before it is too late.

Eighty percent of the factories are preparing to close their doors. Some are reexamining their calculations and some have decided to shift to internal investment. The reason lies in successive and conflicting decisions, totaling 316. There is a tug of war between investment and the economy and the investor stands between them like a ball suspended in midair. Anxiety is wrecking the spirit here. Recession is hanging over the factories like a cloud. The Egyptian manpower has dropped by a half and so has production capacity. The warehouses have run out of raw materials and it became necessary to take the problem to the people concerned. So we have had an open dialogue with all the parties concerned: investors, officials and experts in customs, in the ports and in investment. Where is the ship heading with these investors?

We went to the general free zone in the city of Port Said and heard from the officials about the industrialization activity, which is one of the main objectives of the free zone: 16 factories are operating and producing and 11 factories are under construction. A statistical statement by the General Investment and Free Zones Authority lists 99 projects by 1982. It is a figure that calls for a degree of optimism. The cost of these projects totals \$171,528,000 and the projects employ 3,821 Egyptian workers. This is also one of the main objectives. The wages of these workers amount to \$5,047,000. This is according to data recorded in the official statistics and announced by officials. We cross the free zone gate to begin our tour.

We will not dwell on details but present a summary of some varied activities. We begin with a project that includes three plants for the production of mosaic tiles and hollow cement blocks and for assembling electrical appliances. It is a Saudi-Yemeni-Sudanese project, established in 1978 with a capital of \$3 million, which began production in 1981. Its production capacity in the first phase is .5 million [square] meters [of tiles] annually. Where does this project stand?

The project was shut down for 4 months and then resumed operations 2 months ago. But it will shut its doors again.

Muhammad al-Hasan al-Tayyib, a coproprietor and a member of the [project's] Board of Directors, has sent a memorandum to the minister of investment explaining the causes of the project's collapse, saying: When we presented our project, we believed that we would be able to contribute modestly to enhancing development in a fraternal country. This is why we had chosen to support, even if only to a small degree, the development plan given priority by the state over the other projects. We were welcomed and encouraged by the officials at the time. But as soon as we moved ahead with the work, we were confronted by a succession of decrees and found ourselves drowning in problems that seem to have no solution.

Intervention by the state's various agencies, invariably created the firm impression that the officials have no wish to see us continue the work in accordance with investment laws. We have come to feel that all the decrees pertaining to us seek nothing other than further complication. Our knuckles are raw from knocking on the doors of the officials and our pens have dried up from writing complaints but we have found no one to listen. All view us not as people investing our money in a fraternal country but as if we have come to plunder Egypt's resources and to exploit the sweat of its citizens. Moreover, not a single official has taken the trouble to sit with us to listen to our problems and to try to find solutions that will encourage us to continue our activity. This is why the decision has been made to transfer our project from the jurisdiction of the free zone to the sphere of internal investment, and we are prepared for all of the tax and legal obligations. The reason is this harsh experience, considering that the alternative is to close our factories. This is the decision on which the coproprietors have agreed.

Ramzi 'Abd al-Masih, a member of the Board of Directors, said: Our factory, with its equipment, is the second of its kind in the world. The first is in Italy and the third will be built in Russia. It was our plan from the outset to export but we have been faced with the problem of the scarcity of ships and the lack of readiness on the part of the port.

We have the problem of article 57 of law No 43, amended by law No 132 of 1977. Not all investors understand this article.

We have asked to be exempted from the "export form" demanded from us by the Customs Agency when bringing Egyptian raw materials into our factories. We have asked that this form be confined to the components of a product actually exported outside the republic, for the following reasons:

It is required that the export form be completed by an exporter listed in the exporters register. Moreover, we may not find exporters for some raw materials, such as sand, marble chips and powder. This compels us to use the help of middlemen and, subsequently, to incur extra expenses upon bringing in the raw materials for manufacturing and then upon reintroducing them into the republic for export abroad.

Second, to complete the form means to abide by the export regulations, including the regulation that no cement, whether white or grey, produced locally by the Egyptian Cement Plants in Hulwan--cement whose cost is paid in free currency to the Egyptian Cement Bureau--or cardboard for packaging electrical instruments be introduced [into the free zone]. The fact is that these materials will not be exported because they are basic raw materials necessary for our products or for packaging them.

We asked al-Sayyid Sarhan, governor of Port Said, to intervene to solve these difficulties and problems with the customs authorities and he cooperated fully. We also contacted the first undersecretary of finance for customs affairs and he issued instructions on 3 May 1981 to facilitate the entry of Egyptian raw materials into our factories for industrialization purposes, provided that we undertake to (reintroduce the manufactured products) into the republic within 3 months and that we be exempted from the provisions of law No 66 of 1963 and law 43 and its executive regulations.

The Board of Directors member added: The work progressed from then until last October when we were surprised by the cancellation of this system, with no solution provided for our problems. This made it necessary for us to complete the export form in order to be able to bring in raw materials. The Industrial Control insisted on raising the prices of these materials by more than 67 percent over the local price and on our acquiring the approval of various agencies, such as the Quarries Agency, the Exports Control and the Industrial Control. All these are fruitless measures and we will not find the exporter who will perform all these steps. It is no secret that the rising price of raw materials and the involvement of middlemen in exporting has played a fundamental role in raising the price of the product we export to Sudan and Saudi Arabia, thus making this product totally uncompetitive in the face of similar European products. At the same time, a large quantity of the local raw materials we had stored was consumed and this caused production to be suspended for 4 months. The officials are aware of this fact.

The project's general director said:

The truly serious problem facing us and threatening the future of our factories is the decision of the former minister of economy who issued a directive restricting us to selling only 50 percent of our production to the Egyptian market until 30 June 1983 and completely banning us from exporting our production into the republic after this date, keeping in mind that we pointed out in the studies we presented before building our plants that all our production of tiles and hollow cement blocks would be channelled to the local Egyptian market. The Investment Authority approved our project on this basis. Then we are surprised by the decision that the activities of the plants have to be stopped on 1 June 1983 because of export difficulties that need an entire volume to recount.

We leave the project that is suffering from the accumulation of its production and that is about to be shut down for another project producing ready-made clothing and gowns. The project was built with Saudi-Arabian capital and it began operations on 1 June 1982, before construction was completed. Sayyid 'Abd al-'Al, the company director, said: We started our production in compliance with a good aspect of the investment law, that of encouraging the tendency toward industrialization. I would like to point out here that we have

employed 100 percent Egyptian manpower, whereas there are other projects in the same field which employ foreign experts. Some may reply that the costs are shouldered by the foreign consumer because basically the product is exported to the outside world. But the situation changes when the products are supplied to the country. We have discovered in the field of clothing production highly capable Egyptians who can train the workers. Our contract calls for exporting all of the production and for dealing with this production as free zone production. But after going through the experience, we have come to recognize some problems.

For example, there is an illogical situation here. While the state calls for stopping the importation of ready-made clothes, it is suffering from a shortage in this sector. It is illogical for the state not to permit factories in the free zone to export even a part of their production into the country while allocating nearly \$35 million in the general state budget to import such products from Hong Kong, Taiwan and other parts of the world. It pays for these imports with dollars, in addition to paying the shipping and insurance costs, when it could import such products from us with the Egyptian pound, with us paying all the customs fees in accordance with amended law No 43 and fulfilling all the conditions imposed on imports.

Law No 43 has neglected one point, namely, that there is a difference between a producer who uses 100-percent foreign production components and who operates outside Egypt and another producer whose product consists of more than 60 percent Egyptian elements. We want at least a part of our production to be designated for the local market without services of a middleman, who is usually a merchant with an import license and who collects from us a commission that amounts to nearly 20 percent. As for our exports, we have contracts with Saudi Arabia and Sudan. But we are still operating at half our capacity because the contracts cannot utilize our entire capacity, especially since we know that most of the Arab markets are closed. We also hope for more attention from the officials. The slow procedures and the multiplicity of responsibilities divided between the General Investment Authority, the Ministry of Industry and other agencies make me say that many investors are about to shut down [their projects] and return to their countries. There are others who are reconsidering the feasibility of their projects. The only benefit they have is exemption from taxes and taxes are not everything if we consider such factors as loss and profit.

In another clothing factory, the factory manager, a Lebanese named Muhammad al-Safa, said: I am supposed to produce for export but the problem I face is that there are no services whatsoever. For example, a package of samples takes 2-3 months to be delivered from Cairo airport to Port Said whereas I can get such a package myself. But this requires a tax card and a foreigner has no right to obtain such a card. We feel that there is a conflict between the [ministry of] investment and the [ministry of] economy. Any decision by the first is cancelled by a decision issued by the second. Matters have reached the point where it is impossible for the investor to get a table or a chair he needs for his work. Such an item cannot be obtained from Port Said or anywhere else by virtue of the fact that we are in a free zone that imports from abroad.

Yet, this man continues to train his workers and to prepare to start production in 1 month. But the signs we have seen on the spot say that he will not start in months. The workers need more training abroad. The man has underlined an important point, saying: I have contracts with the United States and with a

number of European countries. Some of them demand clothing made from Egyptian material and I turn a blind eye to such requests so as not to get lost in the labyrinth of the procedures required for obtaining Egyptian raw materials. Second, my contract stipulates that 20 percent of my production be exported into the republic and this is something about which I am apprehensive because it means that my goods will remain in storage for 2 or 3 months until I am able to get approval from the customs authorities to introduce them into the country. Obstructions have reached such an extent that when I needed a truckload of sand, not even gravel, to complete the construction of some buildings, I had to get approval from customs, a visa and other things.

Investor (Frazer) Tadrus has raised another point concerning the ready-made clothing industry, saying: All the new decrees, despite their multiplicity, do not conflict with my project's plan because it is based fundamentally on exporting. I have succeeded in concluding contracts with Europe covering 80 percent of my production of shirts, with the remaining 20 percent designated for export into Egypt. However, I am apprehensive about getting high-quality Egyptian cloth. There are reservations on the part of the producers on exporting these materials or selling them in the Port Said free zone, whereas we are supposed to have priority, especially since we export these raw materials after processing them, with the processed products carrying the name of Egypt. We are ready to purchase these materials at international prices and to pay for them in dollars. This is perhaps the best opportunity for Egyptian products made from Egyptian materials to find a place in the world markets.

We then move to other factories, including the projects for aluminum, sponges and assembling electrical equipment. All are reconsidering [their operations] for the same reasons.

We then proceeded to another sector of projects in the free zone, namely, the cold storage projects, numbering eight, including one under construction. What was the complaint there? The manager of one of these projects said: The Investment Authority collects 1/500th of the value of the goods. Basically, these goods are stored for others, but the company shoulders the cost of this percentage, plus the added value, which is determined by the authority on the basis of the international price.

For example, a cold storage company collects \$18 for every ton. If 4,000 tons are involved, the authority collects 1/500th for every ton, i.e., \$8 or nearly 50 percent [as published]. It is no secret that the consumer ultimately shoulders all of these costs. We should keep in mind that this provision is not contained in the investment law but has come as a result of a decree.

As for electricity, the starting price in 1978 was 23 mils per kilowatt. But this has risen gradually, reaching 80 mils per kilowatt at present. This is very high. Meanwhile, the storage fees have not changed. Rather, they have declined due to the presence of a larger number of refrigeration facilities in the area. We leave this company, hoping that the reports of its being offered for sale are just a rumor.

In the storage sector, there are 59 warehouses, 1 of them under construction. Ultimately, these storage warehouses represent the prevalent activity within the free zone, and this is something that is in conflict with the objective of industrial production for exports. We have interviewed investor Hani Rida, who has a project for the storage of various goods, including ready-made clothes, electrical equipment, watches, lighters and other goods. He said:

I have been storing various goods since the establishment of the free zone in 1976. The procedure followed called for a merchant with an import quota to come to me and then for me to notify the Investment Authority. Then a decree was issued 2 months ago requiring the merchant to purchase from the investment warehouses according to the value of the quota and not according to the quota itself. The procedure also called for the merchant to pay 2 percent [of the value of goods purchased from the free zone] as part tax payment. But a decree was issued on 1 January 1983 requiring the inventory [in the free zone] to also pay 2 percent in part tax payment, thus causing the costs and the prices to the consumer to rise on the one hand and bringing about a recession in the markets on the other hand.

We are not complaining of the Investment Authority as an administration and an organization. Our problem stems completely from the customs system. Citing an example, the man said:

I regret to say that the authority in charge of customs needs experience in classifying raw materials. It cannot distinguish one kind of cloth from another or one metal from another. Prices are assessed in an offhand, individual and temperamental manner. All the decisions made are also individual administrative decisions, meaning that an official, such as the tariff director, or the official in charge of streamlining, may issue a decision granting one person an exemption while denying it to another.

Hnai Rida asserted: Abolition of the representation contract is harmful to all because there is no need for my investment as long as what is ultimately required of the investor is to bring in his products with (the representative's) knowledge and pay customs fees ranging from 40 percent to 75 percent when, in the end, the investor's role is not in the free markets.

A decree was issued 6 months ago banning the investor from introducing any products he has on hand into the republic, even if he pays all the customs fees. The question that arises is: To whom should we sell and for whom should we store, keeping in mind that such goods are imported from all countries of the world and that supplying them from Port Said is better, considering that the goods are available on the one hand and that it is easier and quicker to obtain them on the other hand.

The investor added: I have stopped one of my projects. It is a newsprint project. Paper is a strategic commodity and we all know the dimensions of the paper crisis in Egypt. I have cancelled the project as a result of the decrees, which have reached 316 in number, and because I have found myself facing one of two options: Either supply the paper to the country or store it and not be able to dispose of it.

The investor recounted to us such a strange incident that it merits publishing. Hani Rida said: The free markets, headquartered in Cairo, asked me for whiskey valued at \$310,111 and opened an investor's credit. I received \$110,000 worth of the quantity. The whiskey received was stored in the free market warehouses in Cairo. When I contacted the bank to collect the sum, I was surprised to find that the money would not be delivered to me without the approval of the market's own health section. This approval takes 15 days. The surprise came after this period when I was told that they had analyzed 150 bottles of the whiskey and became certain that it contained impurities and was unfit for human consumption! My question is: How could this be when the commodity was imported from England via Cyprus and analyzed by the Ministry of Health in Port Said. I have the ministry's report proving the whiskey's fitness. Things did not end here. The free market asked me to collect the whiskey and to destroy it in the presence of customs representatives. They made me pay all the shipping and labor costs. I paid all this only to be surprised by the Investment Authority asking me in turn to pay a 1 percent investment fee, a fee I had already paid.

Another investor asserted that he applied to the General Arab and Foreign Investment and Free zones Authority on 23 September 1973 to set up a paper napkin plant. In 1975, he received a reply turning down his application and telling him that his project involved no technology. At the same time, a similar project was licensed for strong personal reasons, according to him. This project is now the only company producing napkins in Cairo, in addition to another company in Alexandria, and this enables it to hike its prices as it wishes and without controls. Whereas a box containing 200 napkins costs no more than 25 piasters, it is sold in the markets for 1 pound. The man is still waiting for his project to be approved so that he may build it. I don't know why he has chosen al-Salam City to set up this project!

The complaint was once more against customs procedures and the system of service at the port. The Maritime Agency [al-tawkilat] collects enormous fees from importers in return for unloading and storing their goods in the open because there are no covered warehouses. There is a leased open space in which containers are stored for a fee of \$295 per container. In case the set storage period is exceeded, a fine ranging from \$5-15 daily is levied on the importer for every container. The delay may reach a full month as a result of customs complications. The reason for the high cost of the containers and vessels is that they are supplied by the private sector, which imposes its own prices, whereas the state is supposed to perform these services.

Another question raised by the importing investors is: Why should we pay in dollars when we are on Egyptian soil? Others ask: Why should a private company lease a piece of open land, collect storage fees and employ guards whose wages are shouldered by the importers? The Maritime Agency's warehouses, which are owned by the public sector and are covered, do not meet the purpose. Moreover, their storage system is poor.

This is a significant action that has prompted some importers to store their goods in Cyprus and to sell to the merchants directly from there because it is a lot cheaper to do so.

All the parties involved, whether investors or officials, are almost unanimous that the situation needs to be reexamined, especially since it has ultimately led to reducing labor to a minimum. Consequently, the labor figures recorded

in the public authority's statistics are unrealistic. This means that we have not reaped, and will perhaps not reap, anything significant if matters continue as they are.

Before we talk to the officials in Port Said, we should perhaps underline an important point that has escaped many of us, namely, that Port Said is governed by three laws, not one. That is, if we may divide it into three parts.

The first law is law No 43 of 1974, amended by law No 132 of 1977, which governs the general free zone in the city of Port Said.

The second is law No 12 of 1977 governing a city of Port Said (free to release goods with fees paid to the city).

The third is law No 66 of 1963, which governs the port of Port Said, its customs and the city's outlets.

Each law has its rules and regulations. But how have matters reached their present state? The progression is as follows:

Law No 43 of 1974 states that the establishment of free zones is within the power of the prime minister. But if an entire city is to be declared a free zone, then it is necessary to promulgate a new law. When it was decided to consider Port Said a free zone, it became necessary to issue law No 24 of 1976, which stipulates that the entire city of Port Said be considered a free zone. The law consists of only two articles, the first declaring the city a free zone and the second stipulating publication of the law in the Official Gazette.

The law was issued without the regulations governing it, whereas it would have been realistic to issue the law with its executive ordinance, which contains the regulations governing the law, prior to, not after, implementation.

There were no specific regulations that could be applied [to this law] and so successive administrative decrees were issued for that purpose. But this is an interpretive approach that is not governed by rules spelled out in a specific law. This situation continued until the promulgation of law No 12 in March 1977. This law has provided some general rules.

A few months later, the law's executive ordinance was issued. This ordinance contains other rules that regulate some of the provisions of this law. Law No 12 should have followed the lines of law No 43 because the latter pertains fundamentally to the free zones and stipulates that if an entire city is to be considered a free zone, then a law must be issued to that effect. In fact, law No 43 derives its broad lines from articles 86-97 of law No 66 of 1963, the mother law. When I asked Ramadan Mustafa, the general director of customs: Doesn't this situation create some sort of confusion? he answered positively:

There is no confusion and no mixup in implementing these laws, considering that they are implemented in place. Consequently, each of them has its boundaries. Insofar as the Customs Department and the outlets' customs offices are concerned, we implement law No 66 of 1963, keeping in mind that all three laws are implemented in the port on goods released by the Customs Department.

The goods arriving in the port of Port Said are released in accordance with one of the following three regulations: If the goods are inside the city, law No 12 and its executive ordinance are applied. If the goods belong to investors [in the free zone], then law No 43 is applied to them, and if the goods are designated to go into the republic, then law No 66 of 1963 is applied.

I then asked the customs official: The investors complain bitterly of the decrees and most of their complaints are directed at customs. What is your reaction?

Every Egyptian, regardless of his position, feels that he should encourage investment projects as a beneficial addition to the country and exerts utmost efforts to overcome obstacles facing the investors, to provide them with all facilities and to speed up their work. Because the customs authorities are one of the government sectors, their officials exert maximum efforts and are fully eager to insure the well-being of the investors and to eliminate any obstacles facing them. But these authorities are confronted at times by demands from the other side--the investors--that are in violation of the law. These investors make such demands because they feel that the Egyptian Government, which is very eager to encourage investment, can simplify every procedure and provide every facility. This feeling prompts them to demand more and more, considering only their private interest, not the interest of the state, and disregarding the laws they pledged to observe when they presented the feasibility studies for their projects. Article 37 of law No 43, which was amended in 1977, was one of the sources of the investors' problems. At the outset, the tax criterion--namely, the value of the final product and the tariff provision applying to this product--was given consideration. The customs authorities, in cooperation with the Investment Authority, presented the issue to the authorities concerned and the tax criterion came to be considered the foreign component only. As for the [tariff] provision, (it applies to the final product, including its foreign and local components). The issue of the famous article 37 was thus ended.

Then another issue was raised, namely, the issue of the application of article 57 of the executive ordinance of law No 43. This article states that the procedures applicable to exports must apply to the local components entering the general free zone. These are customs and currency procedures. The customs authorities tried last year to give the investors a period of grace and pledged not to apply the export procedures to the final product manufactured in the free zones and reintroduced into the country. But if the product is exported outside the country, then the export procedures would be applied in full. This was done in preparation for solving the problem by amending the law and the ordinance governing this aspect.

This daring measure has been taken by the customs authorities with the help of the governor of Port Said. It greatly facilitates matters. However, a quick solution is necessary, otherwise the measure will have serious consequences. In the face of this enormous responsibility, the customs authorities have been compelled to implement article 57 and other articles. This has prompted the investors to complain to everyone concerned. The issue is being studied by the authorities concerned, especially the Investment Authority, because the customs authority is ultimately an executive and not a legislative authority.

Through a scrutinizing look, it becomes decisively and indubitably evident that implementation of article 57 of the ordinance does not concern the investor

himself but rather concerns those who sell the investor the local components that enter the general free zone. This merchant is the one who has to perform the export procedures. So what is the justification for the complaints and attitudes of the gentlemen investors?

The general director of Port Said Customs Authority asserted: However, it is a duty and a necessity to examine article 57 and other articles pertaining to exports to the general free zones soon so that these article may be amended and so that the procedures governing exports entering the free zones may become extremely cursory and simplified measures. Because the entire objective of these exports is to get foreign currency, it is conditional that the value of such exports be deposited with an accredited Egyptian bank, especially since these components will not be exported directly but will be manufactured with foriegn components. This should be done by the Egyptian exporter or by the investor himself, considering that transactions in the free zones, be they sale or purchase transactions, are conducted fundamentally in foreign currency.

If we manage to establish simplified procedures for introducing the Egyptian components into the general free zone, including the foreign currency component, then this will produce extremely important results:

Encourage the exportation of local products; and this is one of the state's most important policies for keeping the balance of payments in check.

Acquisition by the state of foreign currency, which it sorely needs.

Eliminate the export measures, which take time and effort, for components sold by ordinary citizens, such as sand or raw materials sold in small quantities.

Despite all this, we cannot deny that the Egyptian Government and its executive agencies are eager to make things easy for investors. But these investors expect more and more and it is feared that these expectations will lead to deviation from the main objective of the investment system and to violations of the law, with investors seeking to reap the utmost profit in the shortest time possible, regardless of the means. This is something that no citizen and no economist condones. There has to be compliance, and full compliance at that, with Egyptian laws. All are aware of the extent of compliance with the law in any foreign country.

We then interviewed Faruq 'Abd al-Fattah, former general director of the General Investment Authority and the Port Said Free Zone. The man took us back to the origins of the concept of the free zone, saying:

The free zone was established in 1975 and the objective was to set up industries and economic and commercial projects under the free zone system by taking advantage of Port Said's geographic location between three continents. This was done to achieve several goals: First, to reexport the products of these industries to the outside world; second, to give the national economy the benefit of employing workers and enabling them to gain technical and administrative experience and, third to establish contacts with world markets.

All this under the canopy of law No 43 and its amendments, which state that these investment projects shall not be subject to Egyptian taxes, customs laws or import or export restrictions.

Thus, the Port Said free zone is similar to other general free zones in the republic, especially the free zones in Nasr City, al-'Amiriyah and Suez. A new zone is under construction in Ismailia. The difference is that the number of projects already in operation in Port Said is bigger, totaling 99 projects, including 27 industrial projects. The others are commercial service projects. The investment cost of these projects has totaled \$57 million and they employ 2,050 Egyptian workers earning annual wages of \$2.7 million. This is in addition to eight cold storage projects to store meats, fish and food and strategic supplies. The investment cost of these projects has totaled \$30 million and they employ 228 Egyptian workers earning annual wages of nearly \$390,000. This is in addition to 58 storage service projects with investment costs of \$73 million and employing 1,058 Egyptian workers earning annual wages of \$1.2 million.

The question that these figures raises is: Why don't the industrial projects constitute more than 28 percent of the commercial and service projects?

Answering the question, Faruq 'Abd al-Fattah said: In no country of the world has 100 percent industrial investment been established as of the first day, because industry requires more components and greater resources. It also requires longer time and involves a higher risk. But I assure you that [this will happen] the day Egypt completes meeting and the needs of industry, such as supplying the necessary electricity, water, telex services and maritime and land shipping services. How can an investor operate without electricity or how can he wait for a year to get a telephone line or 3 years to get a telex line? How can he operate when he cannot find trained labor or the necessary investment services, such as data banks to provide statistics?

Pulling out a book from his office library and presenting it to me, the economic expert wondered: It is reasonable that the latest book on Egyptian industries was issued in 1979, whereas such a book is supposed to be issued annually? Instead of a 3-month delay, the book is 3 years late. Consequently, it is useless for the researcher and for a person interested in investment. Can any industry be set up without statistics or studies?

We really do need an agency to gather and classify all data and statistics and to supply them to whomever needs them for investment purposes.

The question that must be raised is: Has the state prepared all these resources so that investors, be they foreigners or Egyptians, may embark on projects? We have a long journey ahead of us and we must exert maximum efforts to create the right climate for investment. Only in this way will industry be established.

Within the limits of the available resources and of the time it has taken, the Port Said experiment is a pioneering and successful experiment. But now that 8 years have passed, the issue requires a calm and objective evaluation. The available resources have not been convenient for what investors want.

In all countries of the world where there are free zones, such as Shannon, Manilla or (Patan), we find that the zones are divided and supplied with utilities, such as water, electricity, roads, car parks and prefabricated buildings. All the investor has to do is install his equipment and machinery and begin production the next day. This has not been and is still not available in our free zones.

We must accept responsibility for evaluating what has been accomplished and for discussing shortcomings so that we can enhance the experiment and make use of it in the future.

But what is your view of law No 43 and its amendments?

Faruq 'Abd al-Fattah said in reply: It is a good law, which establishes benefits, exemptions and conditions. Everything can be overcome. But a strict interpretation of laws is what deals the investors a blow, as in the case of article 37. What is the local component and the foreign component? Here, the role of the Ministry of Finance comes into play. The ministry is strict in interpreting article 37 in favor of the state treasury. Is such interpretation truly in the interest of the treasury? If so, then is it in the interest of encouraging projects to be strict in abiding by the provisions of the law? Anyway, the issue altogether is the issue of a conflict between two government agencies, each of which has its own viewpoint on implementing the law. Both work for the national interest and both act strictly for what they deem to be in the country's interest and this puts the investor in a painful position between them.

Investor's Torment

1. The high costs resulting from the prices of electrical energy and water. The price of a liter of diesel fuel in the free zone is 29 piasters whereas it is only 3 piasters in the local market. Electricity goes for 9.16 [piasters per kilowatt] whereas it costs 3 piasters [in the local market].
2. The duality of jurisdiction and the conflicting decrees--in 1 year numbering 316, i.e., a rate of one decree a day, excluding Fridays but not holidays--issued by the numerous government authorities and agencies. For example, the investment law exempts investment projects from fees, except for fees established by the Investment Authority. But then we find the East Port Said Quarter government warning the investment projects that unless they pay the fees established by the quarter, it will impound the investors' properties. The quarter considers the investors' properties as taxable properties within the city's jurisdiction. In all other aspects, the properties are considered to be outside the city!
3. Article 57 of the investment law must be explained because it does not contain a clear provision on the local raw materials entering the free zones for the purpose of being processed to be reintroduced into the country. This creates dual procedures on exports and imports, with all the subsequent fees, costs and complications.

4. What causes a further increase in the production costs is that the law does not permit the factories in the free zone to conclude direct contacts with the local market and stipulates that such contracts be concluded through middlemen. It is no secret how much such a step costs.

5. The decision to stop the entry of the factories' production into the country after 30 June 1982 [presumably 1983] at a time when the export activities are facing numerous problems, the most significant being:

1. The small number of vessels shipping from Port Said to neighboring countries.
2. The high maritime shipping fares, that is, if a ship can be found at the port of Port Said.
3. The need to ship goods by land from the Port Said free zone to the port of Suez increases the costs, not to mention the customs complications and red tape and their enormous costs.

Finally, and this is no less important, if the conclusion we emerge with from this investigation is that we have not really prepared the right climate for the success of the investor's projects and if we truly come up every day with a new decree conflicting with the preceding decree, then in whose interest is this?

Why don't we then reexamine the situation with utter courage to eliminate all the obstacles and to issue decrees, rules or laws compatible with the difficult conditions in which we have put the investors? When we, as a state, fulfill all our obligations, then we can ask the investors to abide by all the investment and export laws, without making the smallest concession to them. Only then will they comply because all the utilities and services will be fully prepared. Don't you think that a grace period of 3 years or a little longer should be given to the investors so that the factories will be able to stand on their own feet? They are still at the beginning of the path. As we have seen and felt, we have to help for a time, but not permanently.

Picture From Port of Port Said

The consensus among the importers and exporters that the port of Port Said is inadequate made it necessary to pay an on-the-spot visit to the port. The photographer headed for the place and we were accompanied by Husni Abu Samrah, general director of commodity traffic at the port. The picture spoke for itself. The reality is visible and needs no explanation. The first thing to shock us was the enormous quantity of goods stacked up here and there. Trucks are being loaded but the stacks grow bigger and bigger. The reason is the shortage of trucks, trucks that fled in the wake of the minister of transport's decision to abide by the loads specified in the licenses. Corn, wheat, flour and food supplies are dumped on the port pier. The volume of goods withdrawn daily has dropped from 10,000 tons to 6,000 tons. It is proposed that the load be tied to the maximum load capacity for roads and bridges, if this is what is intended by the decision.

The ships on the port's pier are old and the unloading operation is very slow.

More than 500 tons of crop and corn leftovers are dumped in the open, occupying a large area of the small port. It is the responsibility of the Food Supplies Authority [to clean up these leftovers]. The authority is notified daily but there is no response. The leftovers abound with worms and borers, which are infectious to the other crops.

Waste is left lying here and there and occupies ever more of the space. This waste is supposed to have been auctioned off, but it has been left lying there since 1975.

There is a car junkyard containing more than 300 cars and occupying a vast area that is supposed to be the site for the new containerized goods pier. How long will this junk be left there?

Al-Raswah pier, which is designated for unloading flammable materials, is also occupied, thus making it impossible to transport the goods. What happens is that these materials are unloaded on (al-Tarasanah) pier of the (importers pier) and the importer then transports the goods by cart to al-Raswah area, whereas ferries are supposed to transport the goods directly to al-Raswah pier.

It is as if the port has become a warehouse for junk and damaged food supplies, not a place to serve the goods belonging to importers and exporters.

Amidst all this, we find the importer drowning in a sea of red tape, where nothing is done in a day. Why?

1. Any time goods, any goods, are received, samples must be collected. This means the importer has to open the containers he receives and take a sample to Cairo where the Uniform Standards Authority or any authority concerned is found, be this authority the Ministry of Health, the Ministry of Industry or another. Why? So that the sample can be subjected to tests or analyses proving its fitness for use or consumption. The investors say that the specialists [testing] the products are truly competent but the procedures are a mere formality. Can a battery be judged without a precise test? But what happens is that they keep the sample [without testing it] until they receive a complaint against it.

2. The importer is also required to ask the company from which he imports to send a telex message to the Uniform Standards Authority to notify it that the commodity complies with international standards. But what happens most of the time is that the authority's telex is out of order.

3. The investor spends at least a few days for each sample. This is a problem that affects not only Port Said but all the ports and it often results in penalties for extended storage.

4. There is also the problem of assessment. All purpose an alternative solution to the assessor, who determines an interpretive price and who often refuses to acknowledge the bills. So, the matter is up to the importer and his skill with the assessor. It is proposed that there be a standing committee supplied with a telex line with which to contact international companies and determine the latest international prices for each commodity.

So what is the solution? It is obvious that the entire problem, clear as it is, ultimately hinges on the customs authorities. Ultimately, they are the party accused of obstruction as a result of the long procedures required before the customs official can begin his task. However, solutions do exist and all the officials have to do is to implement them:

1. There has to be a representative of the Ministry of Economy and Foreign Trade with the power to make decisions on the bitter complaints arising from the 316 decrees issued in 1 year and to solve any import problems at the port directly and without delay.
2. The Uniform Standards Authority must be present at the port of Port Said in order to eliminate delays in releasing goods and make it easier for the masses [presumably meaning the investors], eliminating the need for them to go to Cairo with their samples to have the necessary decisions issued in this regard.
3. A highly capable laboratory must be provided to analyze the samples referred to it, thus eliminating the need to send the samples to Cairo or Alexandria.
4. Representatives of the classification [authority] must be present to make the necessary decisions concerning video tapes, records and similar materials.

As for the condition of the port, we have interviewed economist 'Abd al-Wahhab Qutah, Consultative Council member and the appointed member of the Port Said Investment and Industrial Development Company.

We started by asking him about the condition of the port.

We in Port Said consider the port the city's real lung. Any development or improvement in this port can absorb a large proportion of effort. Suffice it to note that Port Said, for some time, extending to 1950's transit operations, handled 3 million tons of transit goods [annually].

But his activity came to a complete halt as a result of the shortage of piers and of storage space and because of the port's failure to keep pace with developments in order to accommodate the new types of ships carrying containerized cargo. These are the kind of vessels on which goods are shipped internationally. It is enough to note that whereas the Jiddah port handled zero containers in 1977, it developed to handle 50,000 containers, or 20 million metric tons, in 1982. Meanwhile, we find that Port Said handles only 12,000 containers annually. Containerized cargo is what Port Said aspires to, considering that it is a port located between the eastern and western parts of the world and that nearly 20,000 ships carrying nearly 400 million tons and 5 million tourists and crewmen pass by annually.

What is your view of having the public sector provide more services to facilitate the port traffic and to serve importers and exporters?

The issue here is not an issue of private sector or public sector. It is an issue summed up in the view toward the ports industry as a key to developing the societies that have risen especially to serve maritime ends, as in the case of Port Said. Port Said emerged originally 130 years ago to serve the

Suez Canal maritime route. We can provide a better service in supplying ships through restoration of the maritime activities of painting, repairing and trading with ships. All this can be done by alleviating the restrictions imposed in the past 25 years, be they currency, customs or security restrictions, and by designating areas on the eastern bank of the Suez Canal to set up projects that had been previously set up on small islands in the middle of the canal. But to insure the safety of the canal traffic, most of the islands have been removed.

The port in its present situation can no longer meet the expanding import and export activities of the city of Port Said as a city, as an industrial free zone and as a transit area. What is your view in this regard?

We addressed the above question to Maj Gen Salah Shukri, general director of the Port Authority. What was his answer?

In fact, the port of Port Said has not undergone a development compatible with developments in the methods of maritime shipping, such as the tendency to use containers in shipping various kinds of goods, including transit goods. Consequently, the port is no longer prepared to receive modern ships. As a result the port lags way behind the enormous developments in cargo shipping methods and this has prompted the maritime lines to stay away from the port. Thus, the use of the port has been confined to the conventional small ships. Meanwhile, Mediterranean ports have developed, thus attracting the maritime lines with their modern ships. Consequently, goods have to pass through two stages to reach Port Said:

1. The modern ship drops anchor in one of the Mediterranean ports and the cargo is then transferred to conventional ships to be transported to the port of Port Said, thus causing shipping costs to rise for the consumer, and this is a major problem. Consequently, the volume of transit goods has dropped--and herein lies the big problem. Whereas this volume was 1.8 million tons in 1952, it dropped to 400,000 tons in 1967 and has now reached an extremely low level.

2. The port itself has not undergone adequate maintenance for a long time and this has led to the poor condition of the sewerage and water systems and of the piers. The special columns for tying up the ships and the piers have reached such a poor state that enormous sums that would strain the governorate's budget would be required to repair them.

3. So far, the fees law, which would include the port of Port Said as one of the ports of the Arab Republic of Egypt, has not been promulgated. Up to 1980, and even up to the present, the port has been considered a natural extension and an indivisible part of the Suez Canal, meaning that the Canal [Authority] is fully responsible for this port. It is expected that this law will be promulgated after it is presented to the People's Assembly shortly. We hope that the law will be presented to the current session because this will greatly help to bolster the position of the Port Said Public Authority and will improve the authority's revenues, considering that its present revenues are confined to the rent of some lands in the port, which were taken over from the Suez Canal Authority, in addition to revenues from the cement silo, amounting to more than 1 million pounds annually, and revenues from the

storage activities carried out by the authority in the port. In the 1982-83 budget, the authority has revenues totaling 9,002,000 pounds, which were previously included within the Suez Canal budget. As a result of the above-mentioned factors, the authority has drawn up since its creation a short-range plan and a long-range plan to develop the port in order to enhance its capacity and to modernize it in a manner compatible with the serious development that has occurred in maritime shipping technology. The authority had to work first to stand on its own feet and to train cadres that were not even in existence until the middle of 1980. The authority started from scratch when it was founded. We began from a temporary headquarters in a cabin in al-Ma'murah on 1 January 1981, with some employees delegated from a number of executive agencies and a number of officers loaned to us by the naval and police forces. As soon as it was able to get a temporary headquarters, the authority conducted a study on the current condition of the port, took stock of available resources and surveyed the problems obstructing the smooth progress of work.

This is the picture from the port of Port Said. It will perhaps shed a light on what is happening and on the problems the investors, importers and exporters experience. This picture, of which I don't believe the officials are unaware, is perhaps a start. But a start is not enough because there is always the element of time and (there should be no stopping for any reason, especially appropriations).

Recommendations by Central Accounting Agency for 1982

Work to complete the basic utilities in the industrial zone south of al-Raswah bridge.

Refrain from renewing the licenses given to the storage projects, except for projects committed fundamentally to reexportation.

Establish specific criteria for approval of projects.

Prepare a list of the industrial projects that can be set up in the area in coordination with the technical authorities concerned.

Develop the area's information directory.

Have the free zones sector follow up the projects' activities in light of the presented studies and refer cases of projects that fail to abide by their studies to the zone's board of directors.

Work to further streamline the importation of consumer goods by the storage projects so that they do not undermine national products.

Reexamine the rent value of land designated for storage projects.

Evaluate the outcome of the establishment of a free city in Port Said and the relationship between it and the free zone.

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CSO: 4505/340

FOREIGN MINISTER DISCUSSES RELATIONS WITH ALGERIA, OTHER ARABS

Tunis AL-RA'Y in Arabic 22 Apr 83 pp 8-10

[Interview with Foreign Minister Beji Caid Essebsi by Hamadi Ben Said: "The Tunisian-Algerian Agreement Shows the Two Countries' Will To Place All Future Activity in the Context of the Maghreb"]

[Text] One of the positive features that we can record on behalf of Mr Mohamed Mzali's cabinet is its pursuit of a foreign policy that has been more open to the Maghreb and the Arab East than that of most of its predecessors. That does not necessarily mean that matters are proceeding in this direction in the style and speed we would like. In any event, the intensified activities the stage of the Maghreb is witnessing now, in which our diplomats are playing a dynamic role at times, as well the crisis-ridden situation the Middle East stage is going through, especially following the failure of the Jordanian-Palestinian negotiations, prompted us to get in touch with the minister of foreign affairs with the aim of holding dialogue with him to discover the actual nature of things.

In reality, we can state that Mr Beji Caid Essebsi accepted our initiative without reservation, and he had nothing against not being enabled [to see] the questions we were to present to him in advance. This is the approach we always pursued in our previous interviews, with Imam Khomeyni, Ahmed Ben Salah, Ahmed Ben Bella, and Walid Junblatt, so that the answers and statements offered will be spontaneous, embellished, and, in brief, as close as possible to what the person speaking is really thinking.

In spite of all that, it was easy to hold the interview because it is not easy, in terms of conscience, to carry on a discussion with a former comrade in arms in which an official, cold character predominates, because of all the intellectual and political differences that divide the two of us and because the person who is in charge of our diplomacy has enough sagacity and awareness to avoid the embarrassments and snares that some of our questions contained.

In addition, Mr Caid Essebsi refrained from answering our questions connected to the domestic situation, postponing his answers on his political past outside the regime, the issues of democracy and socialism, and a number of other sensitive issues "to a subsequent time in the near future," as he expressed it. In anticipation that that will take place, we present the full text of the interview to our readers.

AL-RA'Y: To start with the Maghreb, if you wish, we, as you know, are proponents of Maghreb unity, which represents a stage along the road to Arab unity.

Tunisian-Algerian relations were characterized by a certain coldness and stagnation, if not to say alienation, at the beginning of the year. In a short period of time, major developments have occurred that were almost so sudden that we have now started to talk about detente and the like. The question is, has this change arisen from a new will as a result of political conditions in the two countries, or is it to gain time?

Qaid Essebsi: As you said, the peoples of the Maghreb have fought for the idea of the Maghreb, those who have died for it have died, and many people have been imprisoned for it. As far as my own generation goes, this idea dominated us and our attention was strongly fixed on political action. To be truthful, the idea faded somewhat after independence. As you point out, the high point of this notion was embodied in the Tangiers conference of 1958, that is, before the independence of Algeria and a little after the independence of Tunisia and Morocco, a conference whose 25th anniversary we will mark this 25 April. The explanation for this retrenchment lies in the fact that each country was engrossed in establishing its own state and taking an approach based on its conditions, the manner in which it was liberated, and the foreign factors which dominated us as well. This is because the colonial powers did not encourage this activity, and imposed pressures which caused the action to become fragmented.

Our bilateral relations with Morocco and Algeria were in turn affected by the vicissitudes our area went through in various periods, where you would find periods of relaxation, periods of growing crisis, periods of alienation and periods of rapprochement.

The fact of which one must remind people is that since this cabinet was formed in 1980, one of its basic options has been to work in the framework of the Maghreb and at the level of the Maghreb to create the appropriate climate for cooperation among the countries that belong to it, in the bilateral or collective contexts. Numerous visits to capitals of the Maghreb, which various officials from our countries have made, have been recorded since that time. There is substantial bilateral cooperation between Tunisia, Algeria and Morocco, and even with Libya, where the situation was in a poor state and we were in a state of confrontation; the situation has improved, dialogue has taken the place of conflict, and this improvement was embodied in the visit which Col al-Qadhdhafi made to Tunisia in February 1982, which resulted in a new agreement on new bases for cooperation between the two countries in all fields. That is an agreement which we are continuing to carry out with a certain amount of slowness, for well known reasons which may perhaps essentially be attributed to the fact that one cannot suddenly go from black to white without transitional stages. In general, relations exist, channels of communication are present, and the dialogue goes on. The important thing which must be stressed is that since the formation of this cabinet we in our relations with our neighbors have relied on dialogue, not confrontation, and we have relied on dialogue in dealing with sensitive feelings. Action like that will inevitably yield fruit, sooner or later.

As regards the relations with Algeria which you accurately referred to in your question, there indeed was a sort of listlessness, and suddenly they proceeded

to improve. This is proof that that listlessness was not in the nature of relations between Tunisia and Algeria and did not have deep causes; rather, its causes were purely a matter of circumstance. We, along with Algeria, are in agreement over everything; although some points still are outstanding between us, such as the issue of the borders, they are not essential points. In this regard, unanimity among African countries has been reached, as stipulated in the charter of the Organization of African Unity, that the ultimate borders are unfortunately the ones that the colonial powers drew up. There was indeed a border problem at issue between us on the southern borders, and that is the well known problem of Outpost 233 and the relations that arose around it. However, this problem was resolved more than 10 years ago. Everyone will remember the famous initiative of the great fighter, Bourguiba, when he gambled on cooperation and the future with great force, stating at that time that the border problem could not be a barrier to the liberalization and the great gains which the two peoples have been achieving through their cooperation.

Since that date, that is, since 1970, we have signed an agreement in which we settled the problem of the southern borders, that is from Bi'r al-Rumman to the south. The northern borders, that is from Bi'r al-Rumman to the north, to the Mediterranean, were in fact a matter of agreement since the colonial era, but, since France was present in both Tunisia and Algeria, the border markers disintegrated and disappeared. We agreed to form a technical committee to establish these markers again. Unfortunately, this work required 13 years, and was suspended at times because of growing crisis in the political atmosphere at various points. With thanks to God, we have transcended this situation. On the occasion of the visit of His Excellency Chadli Bendjedid to Tunisia, the border agreement was concluded, and this ended the problem. More than ending the problem, we considered that the borders could not be a barrier between the two countries and we entered a stage of important cooperation with a new spirit, a new mentality, and a firm political will to encompass all areas with this cooperation. The concluding statement of the Algerian president's visit to Tunisia mentioned the projects it has been agreed will be established. One should bear in mind that a start was made on this cooperation before this visit, about 2 years ago. We hope that this cooperation will continue, and the major joint committee will meet on 23 and 24 April in Algeria to deepen this cooperation in various fields.

Another important matter between us and Algeria, is the fact that we have concluded a treaty of reconciliation and brotherhood which in reality reflects a new spirit in relations between the two parties, since we have won the battle for trust between the two countries. The treaty contains a group of headings embodying good neighborliness and reconciliation. However, what is new and important in this treaty is the fact that it is open to the other parties in the Maghreb. This stresses the two countries' will to place all future activity in the context of the greater Maghreb. We have sensed a sincere desire among our Algerian brothers to build up our Maghreb, and that is the same desire which inspires us. Therefore the idea is present, and it is not the result of circumstantial factors. Yes, there were obstacles that stood in our way, but they have started to be eliminated and disappear. However, the embodiment of this idea will take a long time, because there are other issues at hand that are inspired by touchy feelings, and these must also be transcended, as with the other countries of the Maghreb. We believe that there can be no Maghreb without the far Maghreb and Libya, which we also consider a part of our Maghreb - if Libya so desires, of course. We also believe that Mauritanian is a part of our Maghreb.

It is true that just three parties attended the Tangiers conference — the Destourian Party, the Liberation Front and the Istiqlal Party; however, affairs in the area have evolved. Taking this evolution into account, we believe that it is in the interests of each country in isolation, and in the interests of the Maghreb group, that they should cooperate, be integrated and create the appropriate atmosphere to make this cooperation, this integration and this joint action realize its full fruit.

AL-RA'Y: Before they left for Tunisia, the Algerian president himself, and his foreign minister as well, asserted that there was no possibility of resolving the crisis that exists in the context of the Maghreb without resolving the issue of the Western Sahara. My question falls into two segments:

The Tunisian position regarding the issue of the Western Sahara is hedged about with some obscurity.

Even if we endorse what is called self-determination, this is an obscure expression. Self-determination at what level? Is it at the level of a Saharan state, at the level of a Moroccan group, a Moroccan solution, or what? We would like, if you would permit, a description of the Tunisian position on this issue.

Caid Essebsi: I do not believe, as you pointed out, that there can be a Maghreb unless the issue of the Western Sahara is resolved. Indeed, I believe that the resolution of this problem will facilitate the creation of the Maghreb. I do not believe that there is any dispute over this subject of the Sahara. I do not agree with your description of the Tunisian position, in the way you characterized it, because, if you read the joint Tunisian-Algerian communique, you will see a paragraph in it which deals with the Western Sahara, and this paragraph has been put into the agreement. The resolution of the issue of the Western Sahara has now been undertaken by the Organization of African Unity. This organization, at the Nairobi conference, adopted a group of resolutions on this issue; it took them in a collective manner and all African countries, including Tunisia, Algeria, Morocco, Mauritania and Libya, agreed to them. Thus the approach toward the solution of the issue of the Western Sahara is obvious, and that is reliance on the Nairobi stipulations, which formed a committee of the heads of some states and approved of a referendum. All the parties have agreed to these stipulations. There are problems standing in the way of the execution of the referendum, undoubtedly, but there is no doubt that we will transcend them. However, no country in the area, or any other African country, has any solution other than the Nairobi solution, and the Tunisian government is bound to these stipulations. Perhaps the Tunisian position prior to this period was characterized by some reserve, but that does not mean that Tunisia does not have a position — rather, that may be attributed to the fact that by our nature we do not want to make the situation more critical. The existence of a position is one thing, and speaking loudly is something else. The important thing is that we should overcome problems, transcend them, and create the appropriate atmosphere for building the Maghreb which, in our opinion, is the important thing. I believe that the issue has now taken its natural course, which is the Nairobi stipulations, and there is no problem with this position. We hold no positions in opposition to Algeria, no positions in opposition to Morocco, and no positions in opposition to any of the countries in the region. However,

positions are one thing and the existing situation is something else. Therefore the Organization of African Unity is going through a crisis over this issue, and over others.

Lest it be said that we have avoided addressing ourselves to the subject, I would like to add, as we are experiencing crisis and observing military skirmishes and the like, that this situation does not help advance the full-time effort at the creation of the Maghreb, and this issue will remain a point of contention, so it is necessary for us all to work to transcend it by one way or another, on which we can agree. That is, we should create the appropriate circumstances for cooperation, integration and also progress. That issue indeed constitutes an obstacle, but the solution to it is obvious and possible.

AL-RA'Y: There has been news to the effect that a meeting might be held soon in Tunisia consisting of Algerians, Moroccans and Tunisians and that it will be attended by people representing Polisario. What degree of truth is there in this news?

Caid Essebsi: I have absolutely no knowledge of this matter. However, as you know, we meet constantly with the Algerians and the Moroccans. In addition, the Algerians and Moroccans meet with one another, and we meet with the Libyans. In addition, Libya meets with Algeria and others. If there is anything that prompts us to meet together, we see nothing to obstruct it. As regards Polisario, you know that Tunisia does not recognize the Republic of the Sahara and the issue has not yet been presented in this manner.

AL-RA'Y: Let us now, if you would agree, deal with Tunisian-Libyan relations, which have also gone through different periods, from excellent terms to alienation to clashes. Following President Chadli Bendjedid's visit to Tunisia, and the conveyance to the Moroccan monarch of the contents of his discussions in Tunisia, you made a visit to Libya and on your return stated that your conversations there were frank and brotherly. The word "frank," in diplomatic usage, means that there may have been differences in analysis and news. Could you, having subsequently informed the president of the contents of your discussions in Libya, inform us about the true nature of Tunisian-Libyan relations, which are surrounded by obscurity as far as public opinion goes?

Caid Essebsi: The matter is simple! First, usage does not dictate that people disclose what discussions went on between themselves and a president when they emerge from his presence. Thus concealment is part of the nature of political activity. I can remember, on this occasion, that I had stated, in a recent interview with the newspaper L'ACTION, in response to a question on secret diplomacy, that a statesman must know how to keep a secret. Not everything can be laid out in the open, not because we want to conceal anything but rather because that is the nature of political activity.

We converse frankly with our brothers in Libya, our brothers in Algeria and elsewhere; we enter houses through their own doors, present matters in depth, and do not speak about background matters; thus, if there is any obscurity it will have to be dispelled, since, no matter what the differences in views might be, we, as neighbors, must keep the dialogue open and sweep differences away through dialogue, discussion and contacts.

Why did I go to Libya? Because there are problems at issue between us. We considered that the agreement which has reached between His Excellency President Habib Bourguiba and His Excellency President Chadli Bendjedid is an important one, and an important political event. Apart from the bilateral cooperation that characterizes Tunisian-Algerian relations, there is a Maghreb dimension to these agreements. Whoever speaks of the Maghreb speaks of Libya, Morocco, and also Mauritania.

Since it was necessary to inform all our brothers of the goals of these agreements and the new political determination that has prompted Presidents Chadli Bendjedid and Habib Bourguiba to work to build up the Maghreb, clear the air between the two countries, relinquish touchy feelings, sweep away problems, set out a strategy for cooperation, then transcend all this in the direction of the Maghreb, it was therefore necessary that we inform all our brothers about this agreement, lest it be imagined that we were intending to isolate anyone whatever from this activity or that this activity was directed against anyone whatever. The discussion of course addressed itself to all aspects of Tunisian-Libyan relations - the dimensions of cooperation, future cooperation, and obstructions to its progress. In this regard we spoke frankly, because we and others might be responsible for creating obstructions, and it is necessary to move this cooperation forward. It is well known to everyone that open statements have been made and have thrown some confusion into people's thoughts. It was necessary that we dot the i's, clarify and seek clarification. The important thing, as I see it, is that the result of this dialogue was good and we produced something positive in a new spirit which will have the effect of promoting cooperation between us. The days to come will yield up encouraging news in this direction.

AL-RA'Y: Passing over to the Arab world, after the Maghreb, the current situation is distinguished by the collapse of the Jordanian-Palestinian negotiations. It was apparent from these negotiations that two plans were in existence separately, the Fez plan and the Reagan plan. While the Palestinians were adhering to the Fez plan as a minimum, what we have read states that the Jordanians presented a plan of which the least that could be said is that it is very close to the Reagan plan. The conflict between the two plans led to the collapse of the negotiations, since Abu Iyad, in a statement he made, stated that it was necessary to "save" the Fez plan, as if it was in danger, and that that was the plan on whose basis the Palestinians were determining a new strategy. Therefore my question: where are we headed?

Caid Essebsi: I would like to stress that the Arab plan for peace in the Middle East is the Fez plan. It is a plan on which Arab unanimity has been reached. All the countries taking part in the Fez summit, including the PLO, approved it. We had already given our view on this plan, considering it a deficient and unjust resolution, but one that is acceptable in the current circumstances. From our point of view, if it is couched in a proper manner, and the means for carrying it out are made available to it, it will guarantee that some stability and peace can be attained in the area. However, it is no secret that every plan lacks the means for carrying it out. As political officials, we cannot ignore the other currents that are present on the international political stage, including the Reagan plan for solving the Middle East problem, declared at the beginning of September. The Arab countries at the Fez summit did not ignore

this plan. The concluding statement of the conference addressed itself to it by allusion, not supporting or rejecting it, by forming the seven-man committee that was assigned to contact the permanent member countries of the Security Council, and the Fez plan was given a Security Council session of the restoration of peace to the region and the grant of guarantees of security and stability to countries situated there. I said that one of the matters the seven-man committee was assigned was to ask the United States of America for clarification on the matters concerning it, regarding the Reagan plan, its dimensions, its secrets, its reasons, and its causative factors, because it is not, and has not been, wise for us to ignore this plan, especially since the person who presented it is the president of the greatest big power in the world, and, whether we love it or hate it, it has its own weight and its influence on getting the problem resolved in a manner which will provide it, or might provide it — let us be slightly cautious — with the means for putting pressure on one of the parties to this struggle, which is Israel. Influencing this party will lead it to embrace a more moderate position.

Jordan is in favor of the Fez plan, and so is the PLO. If one result of Fez was the acquisition of a rapprochement between Jordan and the organization, we give it our blessings, because firm relations exist between the Jordanians and the Palestinian revolution and the Palestinians. There was a cleaning of the air, a rapprochement occurred, then there was a normalization of relations, then a dialogue took place between the two parties on the conception of the future. Thought was given to reviving a confederation between Jordan and the Palestinians. The Palestinian National Congress which met recently in Algeria approved this notion.

There is no doubt that during the negotiations the two parties addressed themselves to the Fez plan, the Reagan plan and other plans, such as the Franco-Egyptian plan and the plan the European group presented. However, that does not mean that the Arabs have relinquished the Fez plan or that Jordan has relinquished it. The unfortunate thing is that the dialogue between Jordan and Palestinians has been suspended because differences exist between the two parties, but that is in the nature of all negotiations, and every radical and essential rapprochement has crucial results. I believe that the dialogue will resume, God willing, and we must arrive at a unification of views, especially since Jordan does not dispute that the West Bank must return to the Palestinians — that is, Jordan does not have territorial ambitions over the Palestinian land that is under Israel control, which the Fez summit itself agreed should go back to the Palestinians.

AL-RA'Y: However, I believe that the Jordanian proposal deviates from the spirit of the Fez plan regarding one point, which one could consider the most important point in the Fez plan, namely self-determination and the establishment of a purely Palestinian state.

Caïd Essebsi: Yes, self-determination and the establishment of a Palestinian state, and the fact that the Liberation Organization is the sole legitimate representative of the Palestinian people.

AL-RA'Y: The Jordanians say, "Let us investigate in some framework which one could compare to a 'second Camp David,' how we can regain the bank and the Gaza

Strip, then return this land to you so that you can establish your own state, and so forth," whereas the point that had already been settled was that the Palestinian party would be present, that the right to self-determination would be confirmed, as well as the establishment of the Palestinian state, so that ' the possibility of establishing a confederation between the Jordanians and the Palestinians would actually be present. However, if all these things fall out of the Palestinians' hands, what is left of the Fez plan?

Caid Essebsi: We must not turn things around. I do not believe that differences exist on this point. Jordan has no special requests. I mean, it is the Palestinians who are demanding the restitution of their land, and it is Jordan's duty to help them in this, and not the contrary. The territory is Palestinian - the PLO, in its capacity as the sole legitimate representative of the Palestinian people, has to exercise thought on all the means of regaining this territory. It is the duty of every Arab country, including Jordan, considering its special status in the area, to help the organization regain this territory. However, the discussion concerns the most feasible and easy means for regaining the territory, and the question of a second Camp David has nothing to do with it at all. I do not believe that Jordan or anyone else has thought that way at all. The Arabs have all, unanimously, rejected the first Camp David, and if we have any criticisms of international plans, that is because they refer to Camp David and are organically related to it. We Arabs have unanimously given our verdict on Camp David. Jordan is on our side, and there is nothing to prompt fear that we might seek recourse to a second Camp David, or a third one or a fourth one.

AL-RA'Y: If we look, Mr Minister, at the situation in the field, it is true that we as Arabs have a plan, which is the Fez plan, but it is a political plan. What elements will strengthen it militarily? A glance at the area will tell us that Israel, as you pointed out in the Chamber of Deputies, is carrying on with its transgressions and its arrogance, paying no attention at all to the Arabs or to the Europeans who are supporting it, or even, in a specific context, the Americans.

Caid Essebsi: No, not in a specific context.

AL-RA'Y: When we look at the Arab stage, we see:

Lebanon in ruins.

Jordan unprepared to enter into a confrontation with Israel.

Caid Essebsi: That is totally correct.

AL-RA'Y: Iraq in ruins, by virtue of its situation. Thus, materially, what do we possess to impose the Fez plan on Israel, a plan that represents an adequate resolution? We lack the material resources even to impose an inadequate plan!

Caid Essebsi: Indeed we do. For that reason we have conducted this major diplomatic campaign, and we are trying to provide foreign backing and support for the plan. We believe that the plan itself depends on international legitimacy, and solving the problem is one of the responsibilities of the international

system, especially the major countries, and the countries that are permanent members of the Security Council have responsibilities for establishing security in the area. We feel that one of the weak points in this plan is the lack of strength to carry it out. If we did have the strength we would perhaps have pursued other courses. The events in Lebanon have painfully proved the sorry condition that the Arab world is in and its basic points of weakness. The Lebanese people have suffered a great deal, because they find themselves alone in the face of Israeli arrogance. The Palestinian people, as embodied in the Liberation Organization, along with some units of the Syrian army, are bearing a great deal in confronting the Israeli enemy. Except for that, the world continues to watch from a distance, with sorrow and some verbal indignation, but there has not in reality been support from anyone at all, including the Soviet Union itself, and the absence of the Soviet Union is an important element. To be fair we can say that the intervention of the United States of America, although it came late, stopped the current and lightened the load, and also the laudable role that France played, then later Italy, through their participation in the multinational forces. That is the actual situation, and we have to take it into consideration. I believe that this is what has made some Arab leaders think that America has more ability than others to set out a plan on the table that can be carried out, but America itself sees that its credibility is being put to the test today in Lebanon. The United States has undertaken, in full public view, to evacuate the Israeli forces from Lebanon, but it has not yet been able to prevail on Israel to do so, in spite of its undertakings and its unconditional support for Israel. The question which arises now is, if the United States of America is not able to carry out what it has undertaken to do in Lebanon, which is an independent state belonging to the international organization, and almost the only country that does not have border disputes with Israel, can we view the situation with optimism?

AL-RA'Y: Don't you imagine, Mr Minister, that the Americans have an interest in having Israel stay on, so that the Arabs will accept a resolution they can be satisfied with?

Caid Essebsi: No, I believe that the Americans' interest lies in having the area return to a stable state, because time is working against them. Today America is alone in the area, but for how long? If other elements come in, the American solution itself will be in the balance, that is, vulnerable. To that I might add that the Americans will enter the election campaign and the Eastern camp, which has stayed away, will not stay away for a long time. There are early signs that it is intending to come back, and the matter will become more complicated, and a resolution will be harder to achieve.

AL-RA'Y: There is a current thesis which holds that the Arabs will not be able to do anything against Israel as long as Egypt stays out of the struggle. We consider that there is a political will on the part of a number of regimes to keep Egypt out of the arena of the struggle. What is your position on this matter?

Caid Essebsi: What one must remember at the outset is that it is Egypt that has gone off the stage of conflict, of its own will; not a single Arab had the desire or worked to remove Egypt. From my standpoint, and I said as much before the Chamber of Deputies, it was an Israeli scheme which ensnared Egypt in the trap,

because Egypt is the biggest Arab country, the one with the greatest military, human, cultural and historic weight, and so forth, it has always played the leadership role, and all the previous battles took place under Egypt's leadership. The infernal Israeli plan had the goal of isolating Egypt from the Arabs and embroiling Egypt in what are called the Camp David agreements, with the bargaining over giving Sinai back to it. Egypt actually did get off the stage. Since Egypt removed itself from the unanimous Arab position, the military solution has been cast in doubt; the balance was in Israel's favor when Egypt was with the Arabs, so what can one say about today? That is the Israeli plan. I believe that it is the departure of Egypt that made the events in Lebanon possible, and the way of Israel has acted in Lebanon, arrogantly and brutally, going beyond all international usage and laws, challenging all feelings, with its acts of contempt, murder, and destruction in the hearing and sight of everyone, because the Arabs did not move, but stayed still, and it was not in their power to move, but only to stay still, in light of the condition you yourself referred to a short time ago, the fact that a war was on between Iran and Iraq, and the fact that Israel was not totally removed from this war. Everyone, big and small, knows that it has helped one of the two parties to the conflict out with spare parts.

Thus it was a well arranged Israeli plan, Egypt succumbed to it, and everyone was led into it.

Second, one must stress that if Egypt returns to Arab ranks today, its return will not change anything, because it does not have a policy alternative to the Camp David resolution. The new Egyptian president has clearly declared that he will continue to work in the context of the Camp David policy, that is, the normalization of relations with Israel - that is, an Israeli ambassador and an Israeli flag in Cairo. Thus the thesis that you presented is not relevant, and I believe that it is not sound, because the return of Egypt will not create a new dynamism; rather, it will reaffirm a matter which has already been settled. Therefore, we have lost Egypt's resources in the Arab struggle against Israel for good, and its departure helped the situation deteriorate, allowed Israel to do what it has done, and has led to the dilemma the Arabs are living with today.

AL-RA'Y: You spoke about the Israeli trap, as if Israel was operating alone, and was not supported by the capitalist West or the United States of America.

Caid Essebsi: That is totally correct, the United States is a party to Camp David, and I believe that I am not talking down to anyone by answering in this manner. It is true that the United States is involved in a strategic agreement with Israel and that it provides it with unlimited arms, material and economic aid. Indeed, the American congress has cut down America's aid to many countries so that it can add what it has cut down to Israel. However, on the other hand, Israel is in itself a power; in my estimation, it is the third power in the world, after the United States and the Soviet Union. This is something we must not ignore; we must not cover the sun with a sieve or the forest with a tree; it is a technological force, a military force and thus a force that can strike. It is therefore a force even without the United States, so what would you say about it when it receives support from America and others who feel a guilt complex about the Jewish people.

AL-RA'Y: What is certain today is that Israel does not want peace, and today it is being predicted that it is preparing to strike at Syria under the protection of the American umbrella.

Caid Essebsi: I do not rule that out, although I do not have anything to confirm it. Israel can do anything, with its well known deviousness of course it does not want peace, and no one disputes that. We always tell our friends in America and Europe who ask us to get the Arabs and the Palestinians to exert efforts to achieve peace — we always tell them that the Arabs have exerted a great effort, with the Fez plan, and they have set out in a peaceful direction, but Israel has set out in a military direction and does not want peace. Therefore I am not optimistic. Anyone following events can see that Israel is not working toward peace. It is against the Reagan plan, against the Arab plan of course and against the Brezhnev plan. Israel's only firm position is war, arrogance and arbitrariness. It has the means to this end, as a consequence of our own weakness on the one hand and its strength and what it gets in the way of handouts.

I would like to add, since your question condemned Europe and the West, that the Eastern camp is not keeping pace with the Arabs in their conflict with Israel. All the Eastern countries recognize Israel. Eastern support for the Arabs does not match the Western support for Israel, because the Eastern countries support the Arabs to a point where one cannot see them supporting us in an action such as the one Israel carried out in Lebanon. Israel, in spite of the odiousness of this action, found support from its allies, but our allies support us only to a certain extent.

AL-RA'Y: A final question. Following the collapse of the Jordanian-Palestinian negotiations, the American secretary of state said that the Arabs must condemn the Palestine Liberation Organization. What is your response to that statement?

Caid Essebsi: I can state that the PLO is the sole legitimate representative of the Palestinian people; it is their rights, and no one else's, that we are at issue, and that the organization is responsible for the fortunes of the Palestinian people. From our point of view, it is the organization that decides the policy that we consider appropriate for attaining the goals for whose sake the organization created itself, for restoring the Palestinian people's legitimate rights. The Arab countries support the organization and the Palestinian people, because the cause is a just one. We do not condemn the organization — rather, we support it in everything it considers appropriate for resolving its issue, and we are in agreement that the Palestinian political decisions must continue not to be subject to outside dominance. I believe that when the organization makes a decision, that is in its own interest and the interests of the Palestinian people.

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CSO: 4504/355

PREMIER GIVES VIEWS, POLICIES ON DOMESTIC ISSUES

Tunis AL-SABAH in Arabic 24 Apr 83 pp 1, 4

[Interview with Prime Minister Mohamed Mzali: "A Special Interview with Prime Minister Mohamed Mzali by AL-SABAH: Initiatives and Measures Soon To Establish a Multi-Party System"]

[Text] Question: Mr Prime Minister, now that 3 years have passed since you were handed the keys to the premiership, what is your evaluation of the results of the past 3 years?

[Answer] I believe that the results of the past 3 years have been positive all in all. In this regard it might be good for us to bring our memories back to the situation our country faced in March and April 1980, following the armed aggression against Gafsa. At that time the country was still suffering from the repercussions of 26 January, and the dialogue between officials and the unions and officials and the university was difficult. Relations with the other adjacent countries to the east and the west were tense or indifferent. If we restrict ourselves to what has been achieved in these fields, it will be possible to state that the government has managed to transcend the crisis and reduce the tension to a large degree.

We can say today, in brief, that the government, under guidance from the great combatant, President Habib Bourguiba, has achieved three objectives:

Thanks to the fact that the regime and the political and social institutions have acted in a satisfactory manner, the national reconciliation has been consolidated and the sense of national solidarity has been made sharper than it was before.

The impregnability (rather than 'resistivity') has been strengthened and the specter of foreign pressure has disappeared from it. In fact, our relations with our neighbors have become more trusting, firm and comprehensive in terms of cooperation.

Today our economic and social system has become more balanced as a result of the many different decisions that have been taken in the areas of economic development and social coverage. Moreover, we must not forget the convening of the exceptional conference of the Destourian Socialist Party and the historic speech which the great combatant, President Habib Bourguiba, gave on this occasion, giving new breath to mass action and a great push toward the rule of

direct contact with the people, and opening broad horizons for tolerance, dialogue and responsible democracy. To that I should add the preparation of the sixth 5-year plan and the fact that it was signed in the form of a law by the president on 3 August 1982 following national consultation.

However, these positive results must not cause us to forget that there are many other problems, which we realize more intensely than anyone else, and are more determined to deal with.

Question: We believe that Mr Mohamed Mzali has tried since he assumed the premiership 3 years ago to move in three directions:

Internal liberalization and the exercise of democracy.

An opening up to the Arab World and the Maghreb.

Economic and social movement, in accordance with a new policy.

What has happened as far as developments in establishing the course of democracy goes?

What steps have been taken in support of that?

Have the bridges of communication with the opposition forces been strengthened?

What truth is there to the news that is circulating on the likelihood of the formation of a coalition government in the wake of the convening of an exceptional Destourian Socialist Party conference, on the occasion of the 50th anniversary of its founding?

When will the legal recognition of existing opposition forces be announced?

Answer: As regards the result of developments, as you said, in establishing the course of democracy, let me remind you that democracy is indeed a long journey and a tentative, growing achievement that demands sincere political will at the level of political officials and requires deep feelings on the part of all parties regarding the logic of rights and duties and the connection between them. It demands that all forms of fanaticism be rejected, that objectivity be pursued, and that the national interest be put above all considerations.

Every observer must admit that great steps have been made in the course of democracy in the past 3 years, opposition papers have made their appearance, the Communist Party was recognized (this happened in July 1981), and there are organizations that have been working in a normal manner and expressing their positions in the domestic and foreign press, with full freedom, which do not stint in their criticism of us, which is sometimes bitter. This all indicates that the existing regime in Tunisia should be considered one of the most liberated ones in the third world countries.

I believe that the coming months will gradually see measures and initiatives that will have the effect of in reality embodying the contents of the

speech by the great combatant on 10 April 1981, upon the inauguration of the exceptional conference of the Destourian Socialist Party, which will have the effect of making a tangible thing of genuine, aware party pluralism which is truly independent of foreign influences and repudiates violence.

As regards the opposition forces, or people in the opposition, contacts are continuing at all levels, and we would like relations of trust and mutual respect to become strengthened, so that every responsible person will perform his duty as well as possible in his area of responsibility.

On the degree of truth to the news that is circulating on the likelihood of the formation of a coalition cabinet, or the holding of an exceptional Destourian Socialist Party conference on the occasion of the 50th anniversary of its establishment, that is really just a rumor and there is no basis to it, especially as regards the convening of an exceptional party conference on the occasion of this anniversary. The next conference will, with God's will, be held on schedule, in 1986.

The Maghreb: Federation Then Union

Question: The second aspect of your policy, as declared in the general policy speech before the Chamber of Deputies, concerns the opening up to the Maghreb and the Arab world. That is a policy which appears to have started to bear fruit.

What were its stages: What future do you anticipate for this policy?

In the Tunisian-Algerian context, the Tunisian-Moroccan context, the Tunisian-Libyan context, and in multilateral form?

What steps have been taken to hold a Maghreb summit?

Do you believe that it is now possible to go back to the Tangiers charter of 1958, which foresees the establishment of a federal state?

Answer: This cabinet has indeed not spared any effort, since it met with the confidence of the great fighter President Habib Bourguiba, to improve relations with the countries of the Maghreb, and the latest official visit which His Excellency President Chadli Bendjedid, the president of fraternal Algeria, made to Tunisia, the signing of the treaty of brotherhood and reconciliation and the agreement on the placing of border markings between the two countries that took place during it, and the joint communique which stipulated the two countries' firm intention to pursue strong economic and social cooperation, are only absolute proof of the importance of the stage we have passed through in this fortuitous process.

In the coming months and years Tunisia and Algeria will provide proof of the good neighborliness and achievements that can be brought about between two fraternal countries when mutual trust is present and each party respects the other's policy.

As regards the fraternal country of Morocco, relations are excellent and cooperation is palpable. The resolutions made in this regard on the occasion of the two prime ministers' visits to each other's country, along with other ministers, is only proof of that.

Regarding the fraternal nation of Libya, contacts, dialogue and mutual visits have taken the place of alienation and tension, especially after Col Mu'ammarr al-Qadhafi, the commander of the revolution in the fraternal jamahiriyyah of Libya, visited our country by invitation of his brother President Bourguiba in February 1982. The joint communique issued on that occasion set out a sound future framework for the actual cooperation that might be attained and the successive stages it must go through to reach our sound unificationist goals. We for our part are determined to keep to our commitments, and I hope that our meetings will continue.

Regarding the possibility for holding a Maghreb summit, in this area one must be cautious, proceed slowly, and avoid ad hoc approaches; there is nothing more dangerous, as far as the notion of the Maghreb goes, than to hold a summit whose results will fall short of the people's hopes; we are not just prepared to take part or to organize it but also want to provide the wherewithal for its success.

On the Tangiers charter, one must adhere to the spirit of this charter, which is embodied in the firm political will to build the unity of the Maghreb on the basis of respect for the existing entities and the effort to effect a growing, firm merger based on scientific studies in the areas of education, culture, the media, the youth and the area of the economy, trade and customs unity, and coordination in the political and diplomatic area, where we will prepare for coming generations the objective resources whereby we can gradually succeed in bringing the Maghreb into a federation, then a union.

Efforts with Reagan

Question: In your visit to the United States, it happened that you brought American letters for the Palestinians. Have you followed up on this mediation following the Fez Arab summit?

Answer: I believe that we have done our duty in serving the Palestinian cause. The great combatant and the Tunisian government are always prepared to continue to make every effort the Palestinian leadership might consider feasible in order that its cause may advance toward success. The efforts the great fighting man made with President Reagan during and after the war in Lebanon are just proof of the available strength head of state's determination to support the Palestinian cause and all fighting peoples with all available strength, same as the support he has given to all just causes.

The Palestinian Resolutions

Question: You were one of the most important people making the resolution at the Fez summit. What do you consider the fate of this resolution today?

Answer: Our movements at the Fez summit were always coordinated with the Palestinian leaders; although the fate of the Fez summit resolutions is in the hands of the kings and presidents, they are in the hands of the Palestinian leaders in particular. We support and uphold anything that will have the effect of supporting the Palestinian struggle.

Freedom of Thought in the Arab Context

Question: In the speech you gave last year in Doha, you called for the promotion of democracy and the maintenance of the freedom of expression, in order to encourage Arabs at higher levels of capability to return from their life as emigres and truly participate in furthering the resurgence in their home countries. Are there any practical Arab programs in this regard?

Answer: To that, I added in that speech, the fact that the attainment of the goal depends on the morality of Arab leaders. Therefore, it is necessary that political, social and economic conditions develop toward greater democracy and freedom of thought in some Arab countries, so that the thinking elite and university personnel can find a suitable climate for innovation, scientific research and the establishment of civilization.

Awareness and Priorities

Question: Economic and social movement:

Following the release of union members, and the union leaders' return to their positions, the social situation has started to fluctuate between deterioration and improvement. However, the general atmosphere remains heavily changed, and demands are intense, at a time when the domestic economy is going through difficulties, not to mention a crisis that requires that people tighten their belts. How do you explain that?

Do you expect that a truce will be made that will make it possible that a start be made on the work before the end of the year? What are the anticipated scenarios for action concerning the various demands in the coming year? To what extent has that been made to adjust to the difficult state of affairs the country is going through?

Economic analysts consider that conditions in Tunisia are difficult, if not critical in the economic sense, and require that decisive decisions be taken at the right time. Have these decisions been determined? When will they start to be carried out? What is their substance?

Some people charge that government economic policy is a continuation of the policy of the seventies and is capitalistic and far removed from the preoccupations of the people. What is your opinion on this view? What reforms is it intended to carry out in order to cope with the situation? What is the socialist and social dimension of your government's policy?

Answer: The release of the union members was in reality based on moral and political imperatives. It also arose from our belief in the need to create

proper ground for dialogue, solidarity, and participation in determining the future by the government on the one hand and the social forces on the other. This form of concurrence is very difficult, but, in our opinion, it is the basic buttress of social peace and the development process itself, and the optimum means for creating, strengthening and consecrating national solidarity. I believe that such solidarity can exist only with a spirit of responsibility and maturity, and the recent social negotiations, most of the time, have been marked by such a spirit, in spite of their length and, at times, asperity. The length was because the negotiations this year have included a review of the basic laws and joint contracts, and the asperity was for circumstantial reasons related to the economic situation. Nonetheless, the negotiations have led to satisfactory results, thanks to the fact that everyone has held fast to the national interest. I can mention in particular the efforts of the minister of social affairs and the people in charge of enterprises, the Federation of Industry and Commerce, and the Federation of Labor, which managed to reconcile legitimate demands with the resources of the domestic economy. Here I would like to point out that this type of social relationship rarely is to be found in third world countries, and that might be one of the factors that make us feel confident about the future of the country. Therefore, let me correct what was stated in your question on deterioration and improvement, because I believe that the difficulties that have occurred are in reality inevitable consequences of dialogue and negotiation, and not a deterioration. It has become clear to the eye that the exaggerated fears and rumors that circulated in the winter of this year concerning the economic and social situation, and its future, have no connection with reality. It has also now become clear that the government's way of proceeding has been marked by stability, intelligence, coolheadedness, and the confrontation of sudden difficulties with awareness and determination. Let that be a lesson for the future.

Moreover, I absolutely do not accept the use of the word "truce" in talking about the social situation, because this word is expressive of a war mentality that has no connection with our national thinking, which is founded on solidarity. I would also like to stress, again, the need to devote oneself to work and hard labor, since improvements in incomes and employment and limits on inflation can come about only by increasing production and improving productivity.

In addition, the economic situation, as you have said, may be characterized by difficulties, most of which have been imported and result from the effects of the international economic crisis. The Western economy, as everyone knows, is complaining of a deficiency in production and investments, aggravated unemployment, inflation, and monetary disequilibrium, along with the drop in the oil price. It is now resorting to retrenchment in trade and the protection of its markets. All this of course has had bad repercussions on the Tunisian economy.

In the face of this situation, the government is standing alertly, pursuing a general policy that may be characterized by limiting spending and non-essential imports and improving performance, especially in management and the public sector. The government is also dealing with the difficulties on a sector by sector basis.

As regards your last question, I am amazed at what is being repeated by some people to the effect that "our policy is capitalistic and far removed from the preoccupations of the people."

Our policy is socialistic and basically has the aim of distributing our national wealth in a manner that is as close to justice as can be. This policy is founded on a form of planning that mobilizes the nation's powers to attain economic and social objectives, namely, the establishment of a strong economy, the creation of jobs, the spread of education, the provision of housing, and so forth. It is founded on two sectors, the public and private sectors. The public sector occupies a strategic status today in terms of production and employment. The private sector occupies a status which we want to increase, so that all people with determination, ability and initiative will be able to take part, in the context of the plan, in the development of the domestic economy. Let me take this opportunity to encourage all ambitious and hard working people to surge together with us into the economic struggle, and to win it together.

As regards the continuation of the policy of the seventies, let me remind you that this policy came about as a modification of the weak points with which the policy of the sixties was marked, and the policy of the government in this decade is aimed at modifying the weak points which emerged in the seventies.

Therefore, the government's economic policy has given priority to:

Enabling agriculture to play its developmental, strategic and cultural role. I can mention in particular the creation of the Agency of Agricultural Financing Development, the Agricultural Bank, and the significant increase in agricultural investments.

The attainment of balance among regions. In this regard, one can mention the law of August 1981, which encourages investments in the least developed areas.

The encouragement of small and intermediate industries. I can in particular mention the law of June 1981, which encourages this form of industry.

The orientation of production toward the meeting of national needs first and the provision of export opportunities secondly.

As for social policy, that has witnessed substantial development in the context of wages and coverage which today is almost comprehensive in the field of social insurance, through the endorsement of the social insurance system in agriculture and free occupations, and an important review of the level of all social grants.

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INTERNATIONAL MUSLIM LEADERS CONFERENCE SUPPORTS IRAQ'S POSITION

Baghdad AL-THAWRAH in Arabic 18 April 83 p 7

[Article by Yahya Kazim al-Najjar: "Saddam Husayn is a Man of Courage and Perseverance"]

[Text] Muslim scholars and thinkers are continuing to examine at their populist conference in the conference hall in Baghdad the circumstances of Muslims in different parts of the world with the aim of arriving at some formula, resolutions, and proposals that would be useful for Islam, Muslims, and their shared developmental issues.

The studies of most of those who spoke during the conference's sessions concentrated on the Iraq-Iran war. They found it to be one of the most dangerous problems and challenges to confront the Islamic world and which threatens its most sacred causes, namely the Islamic cause, its principles, and its future goals.

During our meetings with a number of the leaders and members of the participating delegations and with those who prepared for these things positive proposals and solutions that will solve the Iraq-Iran war through peaceful and negotiated means and will promptly bring about a cease-fire and a halt to the killing.

Mr 'Imran Rishadi, chief of the Indonesian delegation and member of Indonesian Parliament, had proposed that a committee to be called the Good Offices Committee or an Intermediation Peace Committee, should be formed to go between Iraq and Iran to solve the dispute between them in a peaceful manner.

The chief of the Indonesian delegation said: "The proposal stipulates creating this commission with five members, most of whom would come from non-Arab, Islamic countries so that Iran would not be antagonized and not reject mediation. Likewise the mediation committee would have to be genuinely populist."

Mr 'Imran added: "I would hope that Iran agrees and will listen to the call of Muslims, and be inclined to their sincere and honest voice and desires to stop the fighting, and put an end to this lamentable war, sparing the blood of Muslims."

Islamic Court of Justice and Islamic Fund

Shaykh 'Atiya Muhammad Salim from Saudi Arabia said: "It was proposed that we form a peace-making committee and an observation committee, charged with dealing with the issue of ending the war and halting the warfare. It was requested that an Islamic court of justice be formed to look into the disputes, and to hold hearings on the two enemies who have rejected peace and have every day caused the death of Muslims and their bloodshed. It was likewise proposed to establish an international Islamic fund which would share in assuming the financial burdens of the war and in the responsibility of the war's expenses. It would help to restore everything that was ruined by this lamentable war."

Shaykh 'Atiya: "I assess in the highest way the efforts of the faithful President Saddam Husayn, a man of peace and bravery alike. I support fraternal Iraq's position and its positive and sincere dealings to make accord with all the calls and proposals that have been put forward for peace, while conducting the war and fighting. We have to punish and fight against the small faction that desires (to fight) until it restores God's will."

Compliance with God's Will

Shaykh 'Atiya added: "It is incumbent on Iran as an Islamic country that it stop the war immediately and that it comply with God's command and the consensus of Muslims and that it suffice in the futile and useless spilling of Muslim's blood and lives."

Shaykh 'Atiya closed his remarks by saying: "The entire world today looks to our conference here and to this unique experiment through which Muslims may deal with their most serious issues and concerns. This month of Rajab (14 April-12 May) must be a month of peace because Rajab is one of the holy months. Muslims are required to stop fighting regardless of the circumstances."

Support for Collective Appeals for Peace

Shaykh Mustafa Zaghlul Sinusi of Nigeria proposes that the conference invite the two disputing countries of Iraq and Iran to make peace between themselves according to God's practice and that of his Prophet. The conference shall support all calls for peace that appeal to a halting of the war and for concluding a peaceful solution to the dispute.

He said: "We've had enough of the disagreements, and the world around us is watching us and rejoices at our misfortune, because it aspires to the Arabs' and Muslims' treasures."

"I want in closing to praise and admire the Iraqi position and the attitude of President Saddam Husayn especially. That position springs out of the essence and heart of Islam. I invite Iraq and its brave leader not to lose patience and to continue their good and meritorious efforts on behalf of Islam and justice."

Iran Started the Aggression

Shaykh Malik Zurumi from Upper Volta--with its 4 million Muslims--said: "It pleases me and my delegation to be able to participate in this large Islamic conference."

"Iraq is a country of heroes, a number of the Prophet's descendants and Muslim scholars and thinkers reside here. We know that Iraq does not want the war, and it is fighting because the war was forced on it. It is defending its land and its honor and its borders. We consider likewise that Iran was the one to start the war and the aggression by attacking Iraqi border towns and seizing parts of Iraqi lands. The responsible position of Iraq springs from a complete awareness and a great appraisal of its responsibility, and not from a position of weakness, as some imagine because Iraq is capable of carrying on with the war and being victorious."

Mr Ibrahim Kurmuz from Holland said: "At the moment when we regret most bitterly this war that is spilling Muslims' blood and taking their lives unjustly; we also marvel greatly at the other side that says it alone represents Islam while at the same time warring on its neighbor, and that it (claims) that it does not stray from the religion or its judgements or constitution in any matter."

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CSO: 4404/343

NEW TECHNICAL INSTITUTE IN MISAN GOVERNORATE CONTRIBUTES TO WAR EFFORT

Baghdad AL-THAWRAH in Arabic 25 April 83 p 9

[Text] Near the Industrial City of Misan governorate a huge building looms up that makes you feel from the moment that you enter its wide, spacious entry hall as if you were a guest in one of the lading universities. It is the Technical Institute where the ideal use of the large area which was set aside for it and the building already finished for housing the teaching staff and some of the employees who are amongst some of the experts coming from friendly countries stands. At the beginning of our tour we met the supervisor of the Institute, Dr 'Isa 'Imran who spoke to us:

"The Institute is considered to be one of the most modern technical institutes in the region because it depends entirely on the scientific and technical specializations that will be part of its activity to prepare specialized technical cadres and for different national industrial prerequisites, particularly in the southern region of our beloved country. Both these points take into consideration the industrial renaissance we have witnessed and which the southern governorates are witnessing now where paper, sugar cane, food oils, and plastics factories as well as electrical and petrochemical projects are under way.

"The Institute holds nearly a thousand male and female students in its first class level and nearly 600 in the second leve, where they are provided with all the modern instructional requisites. As well it has exceptional residential dormitory complexes which were built and designed in the modern scientific design styles that will provide the student with complete comfort, the proper psychological climate, and an appropriate climate for constant studies and preparation."

Training Sessions

Dr 'Isa spoke about the Institute's activities saying: "A number of training courses have been initiated for various departments of the Misan governorate, and most especially the production associations, on which the national industry depends, alongside courses in warehousing, and offerings in English, and scientific lectures in different specialities."

"There is a special relationship of spirit and principles between the Institute and the noble battle; a relationship springing out of our students' faith

in their just battle. In their view it is part of the scientific and cultural journey that seeks as its goal to resist the ('yellow tide') and Iranian haughtiness. Proceeding from that, the scientific level is exceptionally good. In addition there is continuous evening training in combat skills and weapons familiarity which some officers of Misan governorate's national guard command supervise for our students. They give them a thorough military preparation. In addition, the students, administration, and professors of the Institute participate energetically in the field of war efforts by doing welding work and setting up some advanced equipment; efforts which have had an influence in the Iraqi military government in the course of the battles."

Afterwards we moved to a thriving library crammed with thousands of scientific books, classified in a modern and theoretical style (using the Dewey decimal system). Also the chief librarian, Mrs Zaynab Mahdi Jasim affirmed this, saying: "The library contains 15,000 books in English and Arabic in addition to journals, studies, and photocopies scientific reports and periodicals, which are supplied to the library from a number of international sources. Weekly we receive a new batch which contain a number of studies, investigations, and new inventions. There are Arabic journals too, numbering 225 specialized scientific magazines which are subscribed to. All of these books and magazines, studies, and publications have already been put into the service of the students, and especially last year students who are presenting specialization projects at the end of the year which will determine the students' grades."

Mrs Zaynab added: "There is a large hall attached to the library with seating room for 250 students. There is a lending system that employs both internal and outside lending. As for reading facilities, it is only rarely when you find the reading hall empty of students, but instead daily not fewer than 50 or 60 students are there, and sometimes it is full, especially at the end of the school year when they are preparing general examinations."

As for storing and keeping the books, she confirmed that the library had recently attached a large store house to it provided with excellent climate control specifications, capable of holding 160,000 books and a bigger number of journals, studies, and research.

One of the important departments we visited was the electronics department which is supervised by Mr Sidqi Karim Sa'id. After showing us his division he met with us to explain the nature of the department and its significance, and he spoke to us. "There are three divisions attached to the electronics department; electronics division, the electric machines division, and the electric utilities division. The department is geared in its curriculum more toward the applied side than to the theoretical. Large numbers of students have already enrolled in it, so that first year students number now nearly 300, while second year students number 200, both men and women.

Modern Laboratories

"The department has a modern laboratory, called the electronics lab, as well as a radio and television lab, for both kinds of color equipment--Bell or Secam--where the student can specialize in repairing radios or color or black

and white televisions regardless if they are of either type of color system. And there is another lab attached to the electronics department, which is a visual aids lab, and electronic measuring devices lab."

The director of this department spoke about this department's role and share in the war, saying: "The department has supported the war effort by training a large number in the electric and electronics field, not to mention what the students have contributed to the war effort by their work on electric generators in large numbers. In fact they have already distributed them, in addition to that the electronics department in the latest period, beginning since the start of this year has added even more specialized training courses for high capacity industrial production firms in Misan governorate. In particular through all of the plants and production factories in the forefront of which is the sugar refinery plant."

Thus it is that the scales are balanced and Iraq can be proud of all its civilizational institutions. For there is here the one who carries the hoe and tills the earth and produces the people's food, and there is the one who devises the tools by which the group is enabled to work. There are tall, proud, triumphant ones who have carried their rifles and used them against the sinning antagonist, who is trying to make our people despair of achieving their aspirations and revolution. There is the one who wears the university robes to march the route of science and culture and offer his service to the just battle, the noble and upright battle--just the opposite of the criminal Iranian regime which pushes its children and youth into the flames of death instead of pushing them into the rostrums of knowledge and pulpits of modern scientific instruction. For truly they are ignorant, and ignorance is the enemy of history and humanity.

9587

CSO: 4404/343

TIGHTER GOVERNMENT CONTROL OF CHARITY FUNDS PROPOSED

Kuwait AL-TALI'AH No. 791, 4 May 83 pp 14-15

/Article: "In Care of the Minister of Finance: The Judicial and Legislative Counselor Uncovers the Truth About the Illegal Handling of Zakat Fund Monies; Does Zakat Money Go to Those Deserving It As the Qur'an Has Established? What Is the Government's Financial Relationship With the Zakat Funds?"

/Text/ In his capacity as minister of finance with responsibility for the state's public finances, their protection, their investment and their growth, and the complete supervision of their sound expenditure, we address /Abd-al-Latif al-Hamad/ in this article.

For some time now we have been hearing about large funds, appropriated from state funds, disbursed by a committee within the Ministry of Awqaf for Muslims and Islamic projects throughout the world. Then the matter has developed further with the increase in the influence of the religious factions in state institutions. We have now begun to see authorization given to what are called Zakat funds, which are in reality institutions for collecting donations. This is incompatible with the regulations for the collection of donations and their disbursement, as it is seen by those persons who issued a declaration regarding the collection of alms and the role of the Supreme People's Council therein. Therefore, we ask the Minister of Social Affairs and Labor: What law or official resolution did you use in issuing the declaration on alms funds, because we as citizens have the right to know who has the right to collect Zakat (alms) in this country? Is it the government, or the parties, or individuals? If the parties and individuals have the right to collect and distribute alms and donations as they wish, then what are the conditions that must be fulfilled by whoever submits a request for a charity license?

Yes, we say that because we know for whom these funds are spent, or at least most of them. We put the issue before members of the national council, the representatives of the people and the officials responsible for drafting laws, regulating society and for maintaining the social balance. Let us return to our subject.

We return to see why the funds, appropriate annually from public funds, are not sufficient to finance the Islamic Call, so that permission to collect alms funds was issued. Finally, Law No 82/5 was issued, setting up the Zakat

Chest in Kuwait, in which the government participates in part and Muslims who want to pay alms contributes the remainder. The simple folk imagine that setting up the fund satisfied one of the pillars of Islam, the pillar of Zakat. But, reality is one thing, and propaganda is another, as is the case with every pillar of Islam, the most critical of these being the pillar of Zakat—the collection and distribution of alms.

We wish to present the acute observations made by attorney Salah 'Abd-al-Rahman al-Hashim from the fatwa and legislation department in the Ministry of Justice that were published in AL-WATAN's Friday, 4 April 83 edition to the Minister of Finance in his capacity as guardian of the public funds and the manner in which they are spent so that he might do his duty vis a vis all the citizens who consider that they have the complete right to the funds—meaning the money paid by the state into the Zakat Chest treasury—for a current need or their right in setting their children's future. The wealth of the country is not the property of anyone but its people and its future.

Professor Salah al-Hashim put his finger on the origins of the creation and practice - which I consider to have had a profound effect on those who want to control the state's funds in order to spend them on factional activities, tilting at windmills, detached from the earth that trembles under their feet from Zionist and American attacks.

The article is serious and it rings a loudly reverberating bell, warning against continued negligence and impropriety at the expense of the public interest.

It is incumbent upon the minister of finance to answer the following questions or to study them, as he is one of those whom we do not doubt supports right and the higher national interest:

- 1) What percentage of the Zakat Chest budget did the government pay during the first year?
- 2) Does the government continue to pay millions every year into this fund?
- 3) If the government percentage greatly exceeds what the Zakat people had put down (especially those who lead the call for alms and who themselves own commercial companies and who make incredible profits), then why doesn't the state directly control the fund financially and distribute the monies donated to it as Zakat in the way commanded and established by God in his holy Qur'an: "Alms are only for the poor, and the needy, those who collect them, those whose hearts are to be reconciled, for freeing slaves, for the cause of Allah, and for the wayfarer," Rather than the distribution being left to fractional Zakat funds and the disbursement left solely to the faction and its members and supporters. Kuwaitis know well to whom the monies that are placed in these Zakat funds are given—the Zakat committees, among which are: 1) the Social Reform Society; 2) the Ulban Mosque Zakat committee; 3) the 'Uthman Zakat Committee; 4) the Ahmad bin Hanbal Mosque Committee; 5) the Fuhayhil Committee; 6) the Kayfan Committee.

When these bodies were licensed to collect alms, wasn't the intention to collect alms from able Muslims whom God commanded to pay alms?

Why then does the Zakat Chest take state revenues just to distribute them among the committees?

Why don't these committees get going and collect alms from those who can afford to pay?

And if the Zakat Chest has the right to direct the distribution of the monies among those whom God has stipulated in his precious book as deserving of alms and to receive contributions in the most worthy charity—and there is nothing wrong in this—does it have the right to take the state's revenues, the people's property and as well the property of Muslims offering their alms to this charity, in order to distribute them in the manner described by Professor Salah al-Hashim? He informed us that the Zakat fund gave the Palestinians and Lebanese who spent long months while Phalangist knives and Zionist tanks and American arms and planes slaughtered them (and Lebanon is still groaning under the boots of the "Israeli" army) only 50,000 dinars, no more. God knows to whom it presented the funds. Meanwhile it gives the Afghanis 100,000 dinars. Is this Islam and the application of God's shari'a, or is it politics, and what politics?

Did God command us to give those far away double what we give to those close by? Aren't the people of Yemen, wretched in their poverty and Muslims who cling to their religion more tenaciously than those who cruise in front of the mosques in their Mercedes 500s and American Cadillacs more deserving of relief for the destruction and injury they suffered than the Afghans. They even gave poor Yemen less than the Afghans because Yemen, as a number of the apologists said from the pulpits of the mosques was struck by a punishment from God. But for what? Perhaps for its poverty!

But the Afghanis are fighting "the Russians," the enemies of religion, and the enemies of America!

The sum of what the above mentioned article presents confirms in every point and paragraph that most of the assets in the Zakat Chest were spent on various foundations and agencies outside Kuwait or even outside the Arab world.

The state for its part should be held responsible for investigating what is going on around this topic and should reexamine it and put an end to it, especially as it contributes greatly to providing relief assistance to the Islamic states and agencies abroad via several institutions: the Ministry of Awqaf, the Development Fund, and direct aid through the Council of Ministers, etc, or it should place /the fund/ under the control of a government agency to supervise the collection and distribution of the alms, or take possession of it, in order to carry out the basic aim in its establishment, which is the application of the law on alms, especially regarding "close relations"—the people of Kuwait, then those who live and work on Kuwait soil, and our brothers in the Arab countries, and then the others.

Let the day not come when we hear that Kuwaiti assets were spent on political parties working against this state or that one with state revenues, whether or not it is an Arab state, an Islamic state or a friendly state.

The good people who offer their money to this fund or that committee as alms, must always demand that the distribution of the alms and to whom they are awarded be regulated, so that they may be assured and confident in their hearts that they have actually given their money as alms, and thus have cleansed and purified themselves as God has commanded.

This is also the responsibility of the state--a direct responsibility--and the safeguarding of the people's money, especially alms money, includes knowing where and how it is spent. The state must draft laws that regulate all of this and that guarantee the people's right regarding the state's wealth, the right of the people collecting for charity, and the right of those who by God's command are to receive the alms.

The ruler who oversees the application of the pillars of Islam has the obligation to safeguard these rights regarding Zakat and to guarantee that they go to the recipients without pressure or obligation or humiliation.

Therefore, regulations must be issued that guarantee the publication of clear and detailed accountings of every dinar that comes into the Zakat Chest and how it is spent. This must also include what are called the alms collection committees in the mosques.

CSO: 4404/352

KUWAIT AIRLINES PLANS NEW PROJECTS

London AL-HAWADITH in Arabic No 1384, 13 May 83 p 62

/Article by Ahmad al-Bawz: "Kuwait Airlines Looks To the Year 2000; al-Mushari Says That the Price Of Oil Will Not Affect Ticket Prices While Sallam Says It Will"/

/Text/ I decided to contact the chairman of the board of Kuwait Airlines, Ahmad al-Mushari, moments after a press conference at which he spoke about the new projects the organization built near the Kuwait International Airport at an unbelievably high cost. They are unique in the Middle East because Kuwait Airlines planned and chose carefully, adhering to the principle of integrating the Arab airline companies. They are also equipped with the most modern advanced equipment. They are an example of the most modern installations using the latest technological developments in various fields. At this level is a hangar for the maintenance of jumbo aircraft, a flight crew training center, and a workshop for maintaining and repairing engines. There is also a center to supply meals and services to Kuwait Airlines aircraft, a new subsidiary of Kuwaiti Airlines, which has a total capacity of 15,000 meals per day. Not only will Kuwaiti aircraft benefit from these services, but so far 19 airline companies which use Kuwait International Airport are working with it. This center represents the latest in technological development.

There is a hangar for maintaining jumbo aircraft which cost about 12 million dinars to build. It can accommodate two Boeing 747 jumbo jets at once for maintenance. It has adjoining workshops for business, painting, upholstery work, cleaning and testing. There is a warehouse for engines and spare parts, and there are offices and amenities. It is equipped with modern equipment and apparatuses and has huge cranes, making it one of the best of its kind in the Arab World. This makes Kuwaiti Airlines feel more confident that they will be able to become self-sufficient and have a guaranteed source of additional income. This is particularly true in view of the fact that the project of the Arab technical consortium which includes five Arab airline companies--Middle East Airlines, Alia, Saudia, Gulf Airlines and Kuwait Airlines--has distributed the special areas of aircraft maintenance among the member companies. Kuwait Airlines has been given the specialization in maintaining Boeing 747 aircraft and Pratt and Whitney engines. A workshop was built for maintaining and repairing engines in Kuwait Airlines' project number three. This project is expected to save more than 700,000 dinars annually which is paid for maintenance abroad. It will

also generate additional income in the future for the services rendered by the workshop for other airline companies.

Project number four is a center for training flight crews--pilots, flight engineers, stewards and stewardesses. It includes navigation simulator equipment, audio-visual equipment, three-dimensional emergency training equipment and a ground school.

The 747 simulator--a 747 navigation simulator--is a complete cockpit. No sooner is the door closed than you feel with all your visual, auditory and kinetic sensations that you are actually flying. You speed down the runway and soar into the clear air above the clouds. It's just like being in a real airplane. You seem to be taking a trip with all of its surprises, and you must make appropriate decisions, while in reality you have never left the ground.

On the ground at the training center are airplanes you might think are real. Nothing seems to be missing. But they are only three-dimensional models for training stewards and stewardesses how to perform their job of serving, and how to rescue the passengers if the airplane should make a crash landing or ditch in the water. A person observing the practical demonstration of a land and sea rescue in the training center's artificial lake will be absolutely amazed. It should be noted that the Kuwait Flight Crew Training Center has already received Iraqi, Lebanese and Jordanian pilots for training on its simulator equipment.

It has become quite clear that the government of Kuwait grasps the importance of these strategic projects and is proud of them. Two days after the press conference they were inaugurated by the heir apparent, Kuwait's prime minister Shaykh Sa'd 'Abdallah al-Salim al-Sabah. Along with a number of ministers and prominent people he toured the grounds for about 2 hours, setting a record as far as project dedications go. His comments, and the statements of the ministers about their impressions were brimming with unabashed pride.

Moments after the press conference Ahmad al-Mushari settled down in this office. I asked him the following:

"We admit that AL-HAWADITH is sometimes inclined to professional selfishness out of the desire to obtain a scoop. This is not an uncommendable journalistic principle. Therefore I have come to ask you about something since no one else asked you at the press conference. You know that a new airport is scheduled to be built which will be so large that it makes the following question extremely important. What will become of the projects you will be inaugurating 2 days from now, and on which you have spent a huge amount of money, when the new airport is built at a location that is not part of the current airport where the new projects now stand?

He answered, "That is indeed an important question. The new support projects have been set up to serve Kuwait Airlines, and other airline companies which may want to engage their services, for a period of 20 years. The new airport which is scheduled for construction will not be fully utilized until 20 years in the future. At that point, after the year 2000, the equipment of the support projects which have been inaugurated by the heir apparent and prime minister

will have become obsolete. It will be necessary to replace the outmoded equipment with other, more modern and more advanced, equipment to meet the needs of the future. The wheel of technological progress turns very quickly and offers something new each day."

Al-Mushari added, "The civil aviation authorities are currently working to expand Kuwait's old al-Muhazi airport to the current international airport. The area is being expanded to meet the expansion in passenger and aircraft traffic."

He pointed out that a hotel is scheduled to be built on airport property and said, "We will put it at the service of transit passengers and our colleagues from sister companies who come to take advantage of the services of the flight crew training center."

I asked, "Have contracts been signed for any of them?"

He answered, "The center's current guests include pilots from Iraq Airlines, Jordan Airlines and Middle East Airlines who have enrolled in training programs."

I said, "But I know that Middle East Airlines has an advanced training center."

He said, "That is true. However, Middle East's training center is deficient in certain modern navigation simulation equipment, and it does not have a Boeing 747 simulator. That is why they come to us for training rather than sending their pilots abroad. We complement each other."

I asked the president of Kuwait Airlines whether, in his opinion, OPEC's recent decision to reduce oil prices would result in lower ticket prices, since lower fuel prices would lead to lower operating expenses inasmuch as fuel represents a large proportion of the airline companies' operating expenses.

He replied, "I do not believe that the lower oil prices will lead to lower ticket prices because fuel accounts for only a portion of operating expenses: There are employee's salaries, expenses for services abroad, and new aircraft, equipment and spare parts must be purchased. Therefore, I do not see lower ticket prices. Furthermore, the rising value of the dollar threatens to eat up any saving brought about as a result of lower oil prices. Remember that most of our expenses abroad are in dollars."

The chairman of the board of Middle East Airlines and secretary general of the Arab Air Transport Federation, Salim Sallam, disagrees with Ahmad al-Mushari's opinion on this point. He believes that the decrease in crude oil prices will have an effect all over the world corresponding with this decrease of 10 to 12 percent in fuel costs. This will be to the advantage of the traveler, and induce him to travel more frequently. Salim Sallam expects the Arab Air Transport Federation to review this subject if decreased operating expenses become universal.

In any event, the coming months will reveal to what extent lower oil prices will affect the cost of travel internationally and in the Arab World and, correspondingly, what positive accomplishments Kuwait Airlines has achieved by

constructing its new facilities. However, shadows of the negative aspects loom on the horizon. The Arab technical consortium, which is considered the most important source of support for additional income for the new Kuwaiti installations, still resembles the kind of organization which customarily has not risen to the level of obligatory agreements on the part of certain Arab companies.

The uproar continues in Arab airline circles about the difficulties--technical and other--Kuwait Airlines will face when it takes delivery of the Airbus airplanes, the first of which will arrive next September. However, a Kuwaiti official discounts these fears in view of the fact that the organization has studied all the possibilities and is ready for all contingencies.

9123

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AL-HUSS OPPOSES ECONOMIC NORMALIZATION WITH ISRAEL

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 47, Apr 83 pp 12-13

[Article by Ex-Prime Minister Salim al-Huss: "Normalization and Lebanese Issue"]

[Text] Economic normalization between two countries seeks, in the linguistic sense, to make the economic relationship between them normal. When the issue is projected at the level of the relationship between Lebanon and Israel, it raises numerous questions pertaining to the essence of the meaning of this word.

What is the normal economic relationship between Lebanon and Israel? What is the criterion of normalcy between them and who determines this criterion?

For long years, Lebanon has abided by a clear position saying that it is normal for the relationship between Lebanon and Israel to be severed. If there is a new concept for what is normal at this level, then what is this concept and who defines it?

Before the Israeli invasion, it was normal for the economic relationship with Israel to be severed. As long as Lebanon is a member of the Arab League, then it is a part of the Arab environment. The State of Lebanon is an Arab state and the people of Lebanon are an Arab people. Like its Arab environment, like the other Arab states and like the other Arab peoples, Lebanon is committed to the Arab cause whose core is the Palestinian cause.

This being the situation, it was normal for the economic relationship to be severed with Israel, as long as Israel occupies Arab territories, usurps the right of an Arab people to their soil and homeland and denies their right to self-determination. At that time, this Lebanese position was made evident in various forms and various concepts at various times through the speeches made by the presidents of the republic on various occasions, in the ministerial statements of new cabinets, in the statements of officials at various levels, through participation in making Arab decisions in this regard and in other ways.

But during the events, the Lebanese position was characterized by a quality dictated by the crisis conditions of 1975. In the view of the Lebanese, the Arab issue came to be summed up, rather embodied, to a tangible degree in

the danger of implantation [Tawin] of the Palestinian refugees living on Lebanese soil.

Even though the Palestinian issue, which is the core of the Arab issue, is a complex issue with a pan-Arab aspect, a national aspect, a humanitarian aspect, a political aspect, a cultural aspect and other aspects, the aspect with which it has been facing Lebanon during the development in Lebanon's tragic events is the aspect that affects Lebanon most, namely the danger of implantation. The views toward this danger have varied from fear of the impact of this danger on the fate of the pan-Arab cause to fear of its impact on the demographic and political balance or other balances in Lebanon. This danger, regardless of how we understand it, will not disappear, of course, except through a fair and lasting solution to the pan-Arab issue, the issue of the area, and particularly to its core, the Palestinian issue. The danger of implantation will remain present as long as the Palestinian issue remains unresolved, i.e. as long as Israel refuses to acknowledge the Palestinian people's right to self-determination and to establish on their soil a homeland that absorbs the homeless Palestinians, including those living in Lebanon.

Within the framework of these considerations, it was normal for the relationship to be severed with Israel. What has happened to make the opposite normal now? What has developed to make the exchange of goods and services with Israel and the movement of individuals through the borders between the two countries the normal condition? Has the area's issue ended with a fair and lasting solution? Moreover, and to ask the question from a purely Lebanese angle: Has the danger of implantation receded? Has the fate of the Palestinian refugees scattered among the area's countries, including the 300,000-500,000 Palestinians in Lebanon in particular, been decided?

How can the dealings with Israel become normal before we guarantee the return of these refugees to their land which is occupied by Israel? How can the relations be normal with the state which hurled these refugees into Lebanon and which now refuses to acknowledge their right to leave their refuge in Lebanon and return to their homeland in Palestine? Are we, the Lebanese, supposed to have become acclimatized, if we may use the word, to the idea of implantation and to have abandoned our commitment to the issue of the repatriation of these refugees? We wonder, is this what should be meant by our total wager on the United States which lets no occasion go by without reaffirming its commitment to the Camp David accords that have nothing in their provisions on recognition of the fate of those who were driven away from their homes by Israel in 1948 and who poured into Lebanon as refugees in the thousands at the time? We wonder, is this what they seek by avoiding raising, even implicitly, the issue of these refugees in the complex negotiations agenda on which the Lebanese and Israeli sides have agreed with the blessing of the U.S. godfather? Why is it normal for Israel to demand trade, tourism and security guarantees from us and not normal for us to demand of it, in return, the repatriation of the Palestinians living in Lebanon in the homeland which Israel holds? Are we supposed to have capitulated to implantation?

If we want to continue our commitment to our Lebanese issue and if we choose to remain true to ourselves, we would say that there is no place for normalization according to the concept projected by Israel as long as it continues to impose a fait accompli through its refusal to acknowledge the right of the Palestinian refugees in Lebanon to return to their homes. We would, by the same token, say that the normal thing is for the relationship with Israel to remain severed until this acknowledgment is made.

If the reply is that the repatriation of the Palestinians is an issue that concerns the area and that does not depend on Lebanon alone, then we say that a lot of what Israel is demanding of us concerns the area and does not depend on Lebanon alone, including normalization.

What is normal in the Israeli concept is not at all normal in the Lebanese concept.

So why the normalization?

Come let us examine the other aspects of the issue, we may perhaps find in Israel's claim something normal that justifies the talk of normalization.

Is it normal for Lebanon to be forced to succumb to Israel's demands while it occupies Lebanon's land and practices against Lebanon the methods of pressure, intimidation and blackmail? Under these conditions, how can any agreement reflect the acceptance of the Lebanese, their free will, their objective convictions and their national interests? Any agreement that is not so is illegitimate and if an agreement is not legitimate, then it is not normal. Where is the legitimacy in any relationship formula concluded between an occupier and the vanquished?

"Coercive normalization" is the very essence of the conflict in terms.

Moreover, how could the situation be normal when the relationship between two states is active economically and severed politically? Have not the two negotiators, and the U.S. godfather, agreed to exclude the issue of peace and, consequently, of the political relationship from the current negotiations? How would it be normal for Lebanon to open a door with Israel, as Minister of Foreign Affairs Elie Salim has said, to close 20 Arab doors, with the normalization leading to isolating Lebanon from its Arab environment?

All the signs indicate that Israel has entered Lebanon to make gains in the Middle East. Herein lies the fundamental conflict in the starting points of the negotiators and, consequently, the secret behind the immobility, not to say futility, which has dominated the course of the negotiations all this time. Whereas Israel is seeking through its pressure on Lebanon to wrench gains in the Middle East, Lebanon is seeking to separate its issue from the area's issue. Where will the two parallel lines meet?

Since the outset of its invasion of Lebanon, Israel has come up with a series of demands. It has intensified these demands with its prolonged occupation and has escalated them still more since the termination of the military operations: From retaliating for the attempt on the life of the Israeli ambassador in London, to securing the safety of the Galilee through establishing a security belt 45-kilometers deep into the Lebanese territories, to totally ousting the armed Palestinian and Syrian presence in Lebanon, to demanding a separate peace treaty and then normalization of the economic relations and, finally, to demanding a military Israeli presence in the south within the framework of security arrangements!

It seems that it is our lot to remain the captives of this state of hardship until Israel is convinced, or until the United States persuades it, to stop seeking to wrench gains in the Middle East through Lebanon. Lebanon cannot give more than it has. Lebanon cannot give what belongs to the area--a comprehensive solution to the Middle East issue. This applies to peace as it applies to normalization.

8494

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TRADE RELATIONS WITH AUSTRIA REVIEWED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 47, Apr 83 p 75

[Interview with Philip Von Schuller, Head of Austrian Economic Mission to Lebanon; "Von Schuller: Beirut Has Role Which Nobody Will Fill; War Has Not Affected Volume of Trade Between Lebanon and Austria; Low Inflation Rate Helps Our exports; Our Industries Are Light Industries and We Have Planning Expertise"]

[Text] The Austrian economic mission's week in Beirut (from 28 February to 5 March 1983) was busy and active, considering that the mission contacts included more than one half the cabinet ministers, a large number of officials and work contacts with more than 200 businessmen. The mission's task centered on a preliminary exploration of the Lebanese market and its spheres. A bigger mission will follow next May to make offers and get definite agreements. As usual, the Austrians have displayed, with the help of their top officials in Beirut, special concern for the good organization and planning of the details of the mission's program, including individual meetings with businessmen.

Philip Von Schuller, the mission chairman and the chairman of the Chamber of Industry within the Federal Chamber of Austria, has spoken to AL-IQTISAD WA AL-A'MAL on the nature of the mission's objectives and has evaluated the outcome of the contacts. Here is the interview:

On the nature of the mission's objectives, he has said: "The mission does not necessarily represent all sectors of the Austrian economy. The number of those who had wished to come exceeds the 28 members included in the mission. Most of the firms represented operate in the sphere of engineering, contracting and consultation because we believe that the major sphere now open to the firms is the sphere of reconstruction." Von Schuller expressed his satisfaction with the organization characterizing the mission's program and noted that 80 percent of the mission members have come to Beirut for the first time.

He added that Lebanon is considered traditionally an important overseas client of Austria, which has had since 1954 a permanent trade attache at the embassy in Beirut. This attache is appointed by the Austrian Chamber of Commerce.

He further said: The impression we have formulated is a positive one. There is response on the part of the Lebanese but results do not emerge immediately. Visits of this kind often lead to increasing the volume of trade in the following year by 20-30 percent.

[Question] What are the advantages of Austrian goods in comparison with competing goods?

[Answer] We can sum up our advantages in 3 points: High quality and performance, delivery on schedule and good service after the sale. There are numerous sectors in which we excel and in which we possess long experience, such as road building, housing projects, power and water networks and city planning. I recall that Lebanon has tested the Austrian high quality because more than 50 percent of Lebanon's power plants have been built by Austrian firms and these plants have satisfied the technicians and the officials. There are other assisting factors, including the fact that Austria's nature is similar to that of Lebanon. This gives us experience in building mountain roads, not just autostrades, and in building tunnels. It is worth noting that we don't have gigantic industries, except in certain sectors, such as steel, energy and mechanical industries. Most of our industries are small and medium-size industries. This gives us the opportunity and the ability to adapt to the market.

[Question] Are there difficulties?

[Answer] There are difficulties, including the fact that we don't have an outlet to the sea. Moreover, we are not a rich country and we cannot offer significant credit facilities at the level of financing. We might be able to offer a certain format which combines soft-term financing with commercial financing. This approach provides loan benefits that are better than what is prevalent in the market. Moreover, the Austrian people are not, by nature, inclined toward extremism. The existing system of social participation has its benefits in securing a permanent social ladder. For example, Austria does not know labor strikes, with the millions of workdays wasted by such strikes annually.

Inflation Rate Is in Our Interest

[Question] Do the currency exchange rates and the inflation rates help you or do they have a negative impact?

[Answer] We are a country which depends on exports for nearly 23 percent of its national income. Therefore, it is natural that we would always seek to enhance the value of our currency. However, more than 50 percent of our trade is with the European Common Market, especially with Germany. Moreover, our currency is tied to the Deutschmark and is affected by what happens to it. As for the inflation rate, it does not exceed three percent, and this is a positive factor in favor of our industries.

REAL ESTATE MARKET DEVELOPMENTS EXAMINED

Beirut AL-IQTISAD WA AL-A'MAL in Arabic No 47, Apr 83 p 28

[Article: "Limited Transactions and New City Planning; 4 Million Pounds for Cost of Apartment in Building in al-Ashrafiyah Area; Parking Lot in Every Building or Else Payment of 25,000 Pounds Per Single Parking Space"]

[Text] The real estate market in Beirut and its suburbs is still suffering from inactivity, even though February witnessed movement or the start of movement in this market. The reason for this inactivity, according to all those operating in the real estate sector, is the impact of the country's political conditions on the investors and capital owners who are following the policy of observation and caution while waiting for what may develop in the future.

Last March, the market was characterized by the abundance of supply, with the lands and real estate offered for sale increasing by 50 percent, according to the estimates of some people, without the presence of a comparable demand.

The reason for the increase is the need of some property owners for liquidity to meet their commercial needs or their commitments to banks. But the other property owners offering to sell are investors who bought the lands in the past 2 years with the aim of reselling it and of making big profits.

Those operating in the [real estate] market note that there is a big difference between the supply price and the demand price, a difference of no less than 30 percent which makes bringing the sides closer to each other and conclusion of the transaction a difficult process.

In the suburbs of Beirut, the supply and demand operations seem to be in a better condition because the prices in the suburbs, even though they have risen nearly fifteenfold in the past 10 years, are still much lower than land prices in the capital. Several land sale transactions have been concluded in the souther suburb at prices ranging between 1,000-5,000 pounds. Moreover, apartment prices in the suburbs have also stabilized at certain levels after declining in the months following the invasion of Beirut.

But what has drawn attention is the good demand for the purchase of extremely luxurious apartments (the Rayyis building) in al-Sarasiqah Quarter, even though

the apartment there has been sold for 4 million pounds, the highest price paid for an apartment. The building consists of 6 apartments, each occupying a full floor. The building owner received 10 offers from which he chose six. However, this phenomenon is limited and does not indicate an improvement in the market.

The demand in the capital is still concentrated in the area of al-Ramlah al-Bayda' and its vicinity. This area witnessed last month several transactions, of which the most significant are the following:

A wealthy Arab sold 2 plots of land, one with an area of 2,095 square meters and the second with an area of 1,776 square meters, for the price of 8,000 Lebanese pounds per square meter. The value of the transaction amounted altogether to 30.9 million pounds. The buyer was Joseph Khalifah.

Muhammad al-Zayn and Nakarjian sold of plot of land with an area of 2,200 square meters and located near the U.S. Embassy for the price of 7,000 pounds per square meter and for a total value of 14.5 million pounds.

Two plots in the area of Bi'r Hasan, near the former Ministry of Planning, the first with an area of 1,000 square meters and the second with an area of 1,200 square meters, were sold for the price of 2,500 pounds per square meter and for a total value of 5.5 million pounds.

At another level and within the framework of reorganizing the cities, the Civilian Organization, Beirut Municipality and the Engineers Union are conducting a study on the utilization factor, basing their study on the fact that the current utilization laws have led to bottlenecks from which the capital is suffering. The study stresses the following points:

1. The construction rate in cities should not exceed 60 percent of a city's area, with the rest left for recreation and parks for the population.
2. Insofar as car parks are concerned, the study is inclined to require every apartment building to build a parking lot, else the building owner will have to enter into a settlement in accordance with which he pays 25,000 pounds for every single car parking space, with the number of lots equalling the number of apartments.
3. The tendency to appropriate 20 percent of lands located on street corners to be annexed to the streets.
4. The tendency to consider utilization under the ground as part of the general utilization for construction.

It is to be noted in this regard that the housing plan approved by the Council of Ministers and included by the Development and Reconstruction Board in its 1983 work plan has allocated nearly 10 million pounds for studying reorganization of the Lebanese cities and nearly 45 million pounds for the development of lands and making them fit for construction.

[Box on Same Page] Model Building in al-Rawshah

Rafiq al-Hariri, a well-known businessman, plans to build a relatively large apartment building on the plot of land he purchased recently from the 'Izz-al-Din family in al-Rawshah. The land is located across from Farid al-Atrash Casino. This new housing center will be a model center which is now being designed by the Kasia Engineering Firm.

The building's total area will amount to 17,000 square meters, of which 13,000 will be constructed above ground level and the rest underground and used for shops and commercial warehouses.

It is known that the area of the land on which the building will be constructed amounts to 42,000 square meters which al-Hariri had bought nearly 2 months ago for a total sum of 42 million Lebanese pounds (i.e. for the price of 10,000 Lebanese pounds per square meter).

8494

CSO: 4404/361

DEPORTED WEST BANK MAYORS DISCUSS DIALOGUE WITH JORDAN, REAGAN INITIATIVE

London AL-HAWADITH in Arabic No 1385, 20 May 83 pp 43-45

[Interview with Fahd al-Qawasimah and Muhammad Milhim, deported mayors of Hebron and Halhul, by Wafa'i Diya; 'AL-HAWADITH Interviews Fahd al-Qawasimah and Muhammad Milhim in Tunis; One Supports Reagan's Initiative Without Amendment and One Supports Peace for All Palestinian People; Suspension of Jordanian Dialogue With PLO Has Disappointed Inhabitants of Occupied Territories and It Is Necessary to Resume This Dialogue; Danger of Settlements Touches All and We Don't Exclude Possibility That Occupation Authorities Will Demolish al-Aqsa Mosque']

[Text] AL-HAWADITH has conducted this interview with Muhammad Milhim and Fahd al-Qawasimah, the deported mayors of Halhul and Hebron, in two stages: The first upon their arrival from Amman in Tunis to meet with Abu 'Ammar and the second upon their return from Algiers to Tunis after attending the Arab Cities Organization's conference.

Why Tunis on Way to and Back

It is customary for Milhim and al-Qawasimah to meet with the PLO Executive Committee chairman before attending any conference and upon returning from any conference. There is constant coordination between the Palestinians at home and abroad and the endeavors to split the ranks are out of the question, except with conditions and guarantees, the least of which is that the price of these endeavors be liberation of the land.

In this interview, the two men have conveyed the impressions of the inhabitants of the occupied territories of the present and the future and their position on the suspension of the Palestinian-Jordanian dialogue and on the alternative to this dialogue. They have also discussed the possibilities of their joining any future negotiations concerning peace in the area and their view of Reagan's initiative. Milhim has taken a personal position different from that of al-Qawasimah on this issue, saying that it is accepted to the letter and without any modification, provided that the United States is credible and serious on implementation.

Following is the text of the interview with Milhim and al-Qawasimah:

[Question] What is the truth of the current situation in the occupied territories? The people there are fighting and confronting a difficult and serious situation, whether in terms of the settlement policy or of mass annihilation. What is the extent of the ability to stand fast?

[Muhammad Milhim] The struggle between our people in the occupied territories and the occupation authorities is not a struggle for a part of the land or for some water or a struggle in the face of actions perpetrated by the Israeli settlers or radicals. It is a struggle for survival and this is why it is impossible for our people to surrender. Our people are facing a delicate and difficult circumstance. The land is being usurped, the economic situation is moving from bad to worse and the oppressive practices and acts of violence are increasing day after day. But if a few have weakened and chosen to leave the country and emigrate, this doesn't mean that our people will surrender. The majority is determined to stay and stand fast, regardless of the cost. All they need is an Arab-Palestinian position or an international position that boosts their hope and brings the day of deliverance closer. I will say frankly that even if the Arab and international position remains as lax as it is at present, these people have no option but to continue their resistance despite their conviction that they cannot achieve victory by themselves.

[Fahd al-Qawasima] The power equation between our people in the occupied territories and the occupation authorities is an unbalanced equation by virtue of the terrible schemes that the occupation authorities have. Whoever believes that the Palestinian people are capable of confronting these schemes and ousting the occupation authorities from their land is wrong. This kind of occupation is different from others. It is not a military occupation like the past French occupation of Lebanon. It is a settlement-oriented occupation that seeks to change the features of both land and man. Israel has destroyed all the Arab mainstays and has changed the features of all the cities. You no longer find the churches with their high belfries or the mosques with their high minarets. Any man who does not know this area well and who has not read its history imagines now that this land is Israeli land and that the Arabs have nothing to do with it, either closely or remotely.

[Muhammad Milhim] Why have we forgotten the recent poisoning incidents? If anything, these incidents indicate that the occupation, which has usurped the land and demolished the homes, is capable of innovating any new method to annihilate and liquidate our people. What has resulted from the poisoning incidents is a very serious phenomenon whose dimensions may not be understood abroad. However, this phenomenon has contributed to creating a unique situation which has never existed throughout the years of occupation, namely, the solidarity, harmony and agreement in the face of the real danger—a unique situation which caused the Israeli troops to stand perplexed in the face of the stance of the occupied land inhabitants who rose to the rescue of the female students in the villages and the cities. In the face of this attitude, they could do nothing other than say that what they saw was an instigated and fabricated, and not real, incident.

Question What is required to confront, and if possible to defeat, the occupation authorities if this harmony and solidarity among the inhabitants of the occupied territories is not enough, as you have both noted?

Muhammad Milhim I want to ask the Arab world, especially those who went to Fez: Is there anybody who understands the challenges and the dangers we are facing? I believe that through these acts, Israel is testing the reaction of the Arabs and it is my opinion that nobody has emerged in the Arab world to make Israel think twice before embarking on this sort of act. After what has happened, I don't exclude the possibility of demolition of al-Aqsa Mosque as long as the Arab world waits for the Israeli action to react. What has happened to us had also happened when Israel struck the Iraqi nuclear reactor and when it invaded the Lebanese territories. The absence of an Arab stance encourages Israel to perpetrate acts which nobody imagines it would ever perpetrate.

Fahd al-Qawasimah The occupation is forced on the inhabitants of the occupied territories and they will continue to fight this occupation until they eliminate it, regardless of what sacrifices this will cost. It is natural for the resistance to intensify at one stage and weaken at another. But expressing the rejection of occupation will continue, either with whispers, with words or with demonstrations and thrown stones. Our people in the occupied land are struggling to achieve a lasting peaceful solution. If this goal is achieved, the problem ends. But if it is not achieved, then it is axiomatic that the people will fight and fight until the final goal. As I have said, what is required is a real Arab stance with its impact and significance, else we will stay where we are. I would like to point out in this context the danger threatening the occupied territories' inhabitants as a result of the settlement policy followed by Israel. This is a major danger not only to our people but to the entire area.

Muhammad Milhim This is true. The settlements are moving according to a set goal, namely to confine people in squares surrounded by Israeli settlements that provoke fear and anxiety and that obstruct the means of development and of life so that these squares may disappear gradually, and along with them our Arab mainstays. This is a very serious matter and if we fail to take the right decision at the right time, we will face difficulties which we may not be able to solve afterwards. If the element of time is what will ultimately achieve the Palestinian right, then the element of time also makes our achieving this right a difficult objective in the coming phases.

Question What has been the impact of suspension of the Palestinian-Jordanian dialogue on the occupied territories' inhabitants, considering the great hopes they had attached to this dialogue?

Muhammad Milhim When you ask the citizen in the occupied territories about his reaction to the suspension of the dialogue, you feel that he has been greatly disappointed. The citizen who lives under the shadow of the terrorist actions viewed the Jordanian-Palestinian dialogue as what we may describe as his day of deliverance, despite his conviction that the success of this

dialogue may not ultimately bring him the desired solution. As I have already noted, a man living under a difficult condition wants to cling to any ray of hope. I don't think the majority of the Palestinian people wanted the negotiations between the two sides to end as they have ended. It is my belief that the officials in Jordan and in the PLO have no choice but to resume this dialogue. The special and distinctive relationship binding Jordan with Palestine makes it a must to build a Palestinian-Jordanian relationship whose importance cannot be disregarded by any Palestinian leadership and on which no Jordanian leadership can turn its back, regardless of the differences between the two leaderships. What is important ultimately is elimination of the occupation. It is not important who rescues the people. By God, if the United Nations or Europe can eliminate the occupation, then our people would consider such a party, even if it is non-Arab, as a friendly and sincere party.

[Fahd al-Qawasimah] The Palestinian-Jordanian dialogue emerged before the emergence of the Palestinian issue by virtue of the distinctive historical relations binding the two countries. The objective of the dialogue in this phase has been to coordinate the relationship between Jordan and the PLO, first at the level of internal relations and, second, at the level of the projected peaceful solutions. It can be said that there is no fundamental difference over the internal relationship and that the difference is confined to the peaceful solutions only. Of course there has been a difference of viewpoints but it is no more than a superficial difference. The doors are still open for agreement, especially since both sides are trying honestly and sincerely to resume this dialogue and to develop it in the desired manner.

As for the impact of this difference in the occupied territories, I believe that every Palestinian citizen and Jordanian citizen wanted the dialogue to succeed because it is important and sensitive and constitutes the beginning of a real march toward peace. The success of this dialogue means a Jordanian-Palestinian agreement, and this is very important. We understand the importance of this agreement more than others. There is no doubt that the failure of the U.S. policy to prove its credibility to the Arab world is one of the reasons for the stumbling negotiations between Jordan and the PLO.

[Question] Do you think that the occupied territories' inhabitants support giving King Husayn a mandate in the name of the Palestinians in any future negotiations? Consequently, do you think that King Husayn will ultimately proceed with the negotiations independently and in isolation from the PLO?

[Muhammad Milhim] I don't believe that King Husayn thinks of or aspires to proceed with the negotiations separately. If he wants to move, he will move with a Jordanian-Palestinian decision and Jordanian-Palestinian participation or with a Jordanian-Arab decision and Jordanian-Arab participation because this issue is a Jordanian-Palestinian-Arab issue in the end. Add to this that the Jordanian-Palestinian position needs more faith in the U.S. policy insofar as what Reagan said on 1 September 1982 and needs more serious Arab support for any Jordanian-Palestinian movement. It is not permissible that the Arab world tells Jordan and the PLO "You two shoulder the responsibility.

If the efforts succeed, we will bless them and if they fail, we will tie the crime of treason to this or that [Leader]." The Arab countries concerned with peace must carry a part of the burden shouldered by Jordan and the PLO.

[Fahd al-Qawasimah] As I have understood from the Jordanian statement issued in the wake of suspension of the talks with the PLO and from my meetings with the officials in Amman, I don't think that Jordan will embark on any future negotiations independently. Rather, Jordan wants the Palestinians with it because it feels that the question of the future dialogue with the Americans and the Israelis does not concern the Palestinian issue alone and does not concern a purely Jordanian issue. Consequently, Jordan is determined not to be alone, even if it cannot agree with the PLO in one way or another.

[Muhammad Milhim] King Husayn has not asked for a mandate from anybody. It is natural in this case that there are no voices calling for giving him a mandate. The king wants Jordanian-Palestinian participation on the basis of a clear decision that defines the frameworks of the political movement. This is what our people want and bless.

[Fahd al-Qawasimah] The fact is that the people in the occupied territories have declared repeatedly that the PLO is the Palestinian people's sole legitimate representative. This does not mean that the people don't trust anybody. On the contrary, they have great confidence in King Husayn. But the issue is not so much one of mandate or lack of a mandate as it is one of Palestinian participation. It is obvious that Jordan agrees with this principle and wants Palestinian participation, not a Palestinian mandate. So the issue of the mandate is not projected in this manner. What is projected, in my opinion, is participation by both sides so as to enter as a joint Jordanian-Palestinian delegation in any future negotiations to achieve a comprehensive and just solution to the area's crisis.

[Question] What are the alternatives available to the people in the occupied territories in case the Jordanian-Palestinian dialogue continues to falter?

[Muhammad Milhim] It is my belief that the suspended dialogue must be resumed. As we know, the suspension was the result of international and Arab factors that do not make it easy to conclude any agreement between the two sides. If nothing develops to facilitate this agreement--that is, if no Arab and international relaxation develops--then Jordan and the PLO will have to find their way toward agreement at any price.

[Fahd al-Qawasimah] I don't believe that suspension of the dialogue between Jordan and the PLO will last. The door is still open to resuming this dialogue. This, in my opinion, is the best alternative.

[Question] There is an international wager on the possibility of initiating a direct dialogue with the Palestinians in the occupied territories on any future negotiations. In your opinion, is the so-called operation of penetrating the Palestinian ranks likely at this time?

Muhammad Milhim Dialogue for what? If it is a dialogue for the land and for eliminating occupation from the land then, as I have already said, every Palestinian is the PLO and it will not be difficult for the organization to make an immediate "yes" decision. This is not a problem. In return for getting the land, there will be no problem with the PLO or with others. I will be very frank with you and say: If it is possible to liberate the land by any other party, even if it is a devil from the end of the earth, we will say welcome to such a party, not to mention what we would say to such a party if it were an Arab king or a Palestinian citizen. We cannot at all set conditions for whomever restores our homeland to us. This is nonsense. But what use to us would be any movement on which we embark and through which we expose the PLO's credibility and legitimacy of representation to doubt as long as such a movement will produce no tangible results? If the results were guaranteed, there would be no problem to start with.

Fahd al-Qawasimah There is nobody seeking such penetration of the Palestinians, especially on the Arab side. I live in Amman and no Jordanian official has asked me to penetrate this Palestinian position. Jordan's position is clear. Jordan wants the Palestinian people, represented in the PLO, to accept voluntarily the principle of negotiation. Jordan doesn't want penetration. Had it really wanted penetration, it would have worked for it long ago. Some tried to move in this direction and signed petitions but the petitions have been folded and put away and nobody is speaking about them.

Question I have spoken of an international wager, a U.S. wager specifically, and not a Jordanian wager to initiate a dialogue with you.

Fahd al-Qawasimah If the U.S. side wants such penetration, then we tell it that such a step will split the Palestinian people and will not lead to the comprehensive and just solution. We want a peace acceptable to all the Palestinian people, not to a part of them. Otherwise, it will be an unstable peace. In this phase, the Palestinians are fully prepared for peace and accept peace and work for it. But the Americans must understand the facts in the area before they get themselves embroiled in futile endeavors. The PLO is the framework uniting the Palestinians. Why should we divide them? Would such division help to achieve the comprehensive solution desired by all? I have addressed this question to U.S. Secretary of State George Shultz and pointed out to him that we need a united Palestinian decision because any future position will be a position concerning the entire Palestinian people and not a part of them.

Question Certain U.S. political circles have nominated you Rashshahatkuma, presumably meaning have considered you candidates to represent the Palestinians in future negotiations in isolation from the PLO. Do you accept this?

Muhammad Milhim I, like any Palestinian, consider myself a part of the PLO, even though I hold no official position in it. Consequently, whoever believes in the principle of the legitimacy of the PLO's representation abides by the PLO's resolutions. This being the case, we should not say that

the PLO, the organization representing the Palestinians and guiding the Palestinian decision, does not abide by what it decides. I consider myself one of those who abide by the organization's resolutions, even if I have a different opinion on these resolutions. When the opportunity becomes available, I express this opinion and the organization leadership can take it or disregard it.

Fahd al-Qawasimah We are prepared to exert any effort whatsoever in order to put an end to the occupation. We have lived under this occupation and suffered greatly from it. We know what the people of the occupied territories think. However, the PLO's approval of our representation is essential and indisputable. It is true that I am a mayor elected by the people of the West Bank. But I am not elected by all the Palestinians. Consequently, I cannot speak in the name of all the Palestinians unless the PLO entrusts me to do so. You ask us about negotiation, but on what basis?

Question The current projection is negotiation on the basis of the Reagan initiative.

Muhammad Milhim I want to tell you something important. If there was definite confidence that the Reagan initiative could liberate the land and give its inhabitants the right to their self-determination, this indirect rejection of the initiative would not exist.

Fahd al-Qawasimah We are not against the initiative. On the contrary, we have repeatedly declared that it contains several positive points. But it lacks some points which the Palestinian people feel are necessary for just peace, such as the right to self-determination and recognition of the PLO's legitimacy. In our view, the initiative is not complete. But we do not say it is rejected.

Question Are you two for the idea of merging the Reagan initiative with the Fez initiative and emerging from the two initiatives with a unified plan that takes into consideration the shortcomings you have talked about?

Fahd al-Qawasimah As I have already said, we are not against the U.S. peace. However, we feel that the initiative does not guarantee us the essential and fundamental element, namely the Palestinian identity. The Palestinian people's problem and their real hardship is the problem of their identity and their homeland. When we demand the right to self-determination and to an identity, we demand putting an end to the tragedy and demand a small piece of land which the Palestinian people can consider their homeland. This is our problem. It is not a life-style problem but a problem of identity and of a feeling of alienation among the brothers. The initiative has not been fair to us insofar as this identity is concerned. As we know, the Arab plan discusses these points. Therefore, any plan combining the two initiatives and containing these main points will be an acceptable plan.

Muhammad Milhim I have a personal opinion on this issue which disagrees with these statements. If the United States is ready to implement the Reagan initiative, regardless of what sacrifices it costs, then the

initiative is, in my opinion, accepted verbatim and as it is stated. If the initiative has the credibility of application and the seriousness of implementation, then it leads to a Palestinian state and gives the Palestinian people the right to self-determination. Why? Because it says that the Palestinian people's issue is not an issue of refugees, that the Israeli occupation must be eliminated from the occupied territories and that a stop must be put to the settlements because they are illegal. If these three goals are achieved and if the United States can guarantee the realization of this policy and can cling to this policy, regardless of the sacrifices it will cost in the U.S.-Israeli relationship, then we would consider the post-U.S. initiative phase a phase of transition after which the Palestinian people will work to achieve the Fez initiative.

[Question] Your position, it seems, is different from that of the PLO.

[Muhammad Milhim] The PLO position emanates from its lack of confidence that the United States will achieve anything with the initiative, considering that neither the U.S. House nor U.S. Senate have fully adopted the initiative. I believe, and I may be wrong, that this is one of the reasons for rejecting the initiative, in addition to the other two main reasons, namely the absence of the right to self-determination and the refusal of the United States to talk to the PLO directly. The Palestinian position in Algiers would have, in my opinion, changed had the Palestinian leadership been convinced that the United States actually means what Reagan said and that it seeks to implement it, regardless of the cost. Had this happened, the Palestinian people would not have let the peace opportunity slip away.

[Question] This question is addressed to Mr al-Qawasimah: Do you support this opinion? Do you accept the Reagan initiative as it is in case definite guarantees are given for its implementation?

[Fahd al-Qawasimah] It is my belief that matters don't move this way. I say and repeat that the U.S. plan lacks some essential points, such as the PLO's representation and the Palestinian people's right to self-determination. This is the Palestinian National Council's decision and I do not permit myself to violate it. To put it briefly, I am not a representative of the Palestinian people.

REPRESENTATIVE OF PLO VOICES PALESTINIAN ATTITUDES

[Djibouti LA NATION DJIBOUTI in French 19 May 83 pp 1, 12]

[Interview with Abu Khalil, PLO representative, in the Djibouti headquarters; date and place not given]

[Text] How can the period currently being experienced by the Palestinian resistance movement be described? Critical? Decisive? Historic?

The Shultz agreement in which the Zionist aggression last June culminated deprives the resistance of its Lebanese base. At least this is what that agreement stipulates. Prior to it, events followed one upon another, facing the Palestinian headquarters with historic choices. To recapitulate, first came the failure of the Jordanian-Palestinian negotiations and as a direct result, the challenge to the Reagan plan. Then came a rapprochement between the PLO and Syria, relations having cooled after the evacuation of Beirut. Parallel with this, the PLO leadership had to deal with the campaign launched against it by Col Qadhafi's Libya, as well as the dissident movement which emerged recently within Fatah. All of this is taking place against a background of tension, characterized by fear of an Israel operation against the Syrian-Palestinian forces stationed in the Bekaa Valley in the heart of Lebanon. What then is the PLO thinking today? LA NATION talked at length with Abu Khalil, its representative at the Palestinian headquarters in Djibouti.

[Question] There has been constant talk in recent days about the possibility of a war between the Israelis and the Syrian and Palestinian forces situated in the Lebanese Bekaa Valley. What do you think about this?

[Answer] A number of events suggest the possibility of such a war. First of all, there was the failure of the Reagan plan and later the failure of the talks with King Hussein of Jordan. And this at a time when we are hearing reports of the Arafat-Assad meeting in Damascus. On the other hand, the position of the Soviet Union, which provides Syria with major support, is being reconsidered, such that Syria might take a stand opposed to the Zionist aggression. On this basis, we can say that the American and Israeli imperialists are beginning to think seriously about how to resolve the impasse in which they find themselves.

Following the rejection of the Israeli-Lebanese agreement by Syria, the PLO and the Lebanese National Movement, we cannot exclude the possibility of an

Israeli war with the support of the U.S. Such a war would not be limited, as Israel believes. This is because of the new balance of forces in the region, the preparations by Syria and the PLO to resist such an aggression, and above all, because of the political consequences which could not fail to affect the course of a conflict in the region.

[Question] There is also the possibility of a conflict with the Lebanese authorities, one which could lead to a "partition" of Lebanon.

[Answer] Insofar as possible we are trying to prevent the Lebanese army from playing the role of the Israeli army. In this connection, do not forget that the PLO, as well as Syria, has legal agreements with Lebanon. They cannot be annulled except by an Arab decision. The Lebanese authorities should clearly understand that a party which has no reason to oppose the Zionist enemy cannot oppose those who have given their blood in Lebanon.

[Question] But Syria has not opposed the Zionist enemy. An Egyptian newspaper has moreover reported in recent days that the leaders in Damascus who agreed with Tel Aviv in 1976 on a red line not to be exceeded are the last to be in a position to oppose the Shultz agreement.

[Answer] Listen--where the Syrian position is concerned, you must ask the Syrians themselves.

[Question] According to the terms of the Shultz agreement, the PLO loses its Lebanese base, the only one it has had in recent times in an Arab country sharing a boundary with Israel. Thus today you do not have the possibility of pursuing the armed struggle from a base in an Arab territory. It is not possible from Egypt, Jordan or Lebanon. There remains Syria. Would it agree to allow Palestinian combatants to pursue their operations from Syrian territory?

[Answer] Since 1978 now, we have not launched any operation against Israel from Lebanese territory, because of the requirements of the Lebanese authorities at that time. It is a certainty that the loss of the Lebanese base will greatly affect our struggle. What we hope is that the level of coordination with Syria will develop to a point at which we can oppose the Zionist enemy directly from Syrian frontiers.

[Question] Let us speak of your relations with Syria. They have always been somewhat confused. There was even a sort of "suspension" after the departure of the Palestinian combatants from Lebanon.

[Answer] The cooling which occurred after the evacuation of Lebanon was but a disagreement among brothers. We Palestinians had the right to reproach our Syrian brothers for the fact that they did not react when Beirut was besieged. This disagreement between us and Syria was the expression of different positions. The Syrians believe that they should not intervene in a war the date and place of which were not chosen by them. They did not want to allow themselves to be dragged into a war "imposed by Israel," as they put it.

But it was a fact that the war had already occurred and that the Zionist cancer could not be stopped nor limited in its extent. After the Arafat-Assad meeting in Damascus, we can say that we have a strategic agreement with the Syrian comrades.

[Question] It is astonishing to see phenomena and differences developing within the resistance at this time.

[Answer] After a struggle has been waged at great length, it is normal to see consequences developing within the resistance movement itself. All I can say regarding these "disagreements," which are exaggerated, moreover, is that it is nothing new to see men under the direction of Arab regimes within the resistance.

[Question] Are you referring to Libya, which has for a certain time been waging a campaign against the policy adopted by the PLO leadership?

[Answer] No one in the Arab world has the right to give lessons to this revolutionary leadership, the very same leadership which launched the resistance in 1965 and which has headed our movement for 19 years.

Whatever the case, the unity of the resistance bodies was confirmed during the last Palestinian National Council session, thus creating a block against any intervention on the part of any Arab regime whatsoever. We believe that the Arab nations have not reached the level of the national struggle of which the Palestinian issue is the heart. Some regime or other may have a certain influence here or there. But we have the full confidence of our people, who have an adequate revolutionary response to all of those who deviate from the line defined by the resistance.

[Question] You have just organized an exhibit in Djibouti in connection with the 35th anniversary of the Zionist occupation. What does this date, 15 May, mean to you?

[Answer] Our people have been able to transform 15 May from a black day into a day of struggle for our return. In connection with this occasion, allow me to express our gratitude to Djibouti, to its people, its government and its party for the support they have given our cause and for the assistance they have given us in the action being pursued in the interests of the Palestinian and Arab cause.

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SAUDI ARABIA

LOCAL FIRM'S ACCOMPLISHMENTS DETAILED

London AL-DUSTUR in Arabic No 283, 25 Apr 83 pp 59-63

[Interview With Shaykh Badr 'Ali Dhiyab, Owner of Saudi National Projects Company, by 'Abd-al-Karim Kamal: "We Have Achieved for Saudi Airlines Employees What Foreign Firms Have not Been Able to Achieve"]

[Text] It is no big surprise in the Kingdom of Saudi Arabia for a foreign or national firm to conclude with the state a contract for a one-billion riyal project or a multibillion-riyal project. Such a thing has become like sunrise and sunset to which nobody pays attention. Recently, a firm concluded a 3-billion riyal contract for a construction project and the papers did not report it and the councils [sic] did not preoccupy themselves with the contract and did not consider the firm "fortunate" or the project unique in terms of type or size. I don't think that the disinterest is out of haughtiness on the part of the press toward news of the firms and establishments or out of "envy" on the part of the councils toward whoever will reap at least 20 percent of this enormous figure in a period of no more than 3 years under any circumstances. Rather, the disinterest stems from the fact that somebody else may have just concluded a contract for a 5-billion riyal project with the state about which the press has written nothing and with which the councils have not preoccupied themselves because such a thing is within the ordinary and because the press and the councils compare these figures with the state's budget and aspirations.

But there is a kind of individual accomplishment before which people pause and talk and talk, perhaps because such accomplishments are by truly creative people, perhaps because there is a large degree of daring behind them, perhaps because they have the quality of desirable adventure and perhaps because they underline excellent awareness of the role of the citizen who thinks, plans and follows the hard path to perform his duty as a citizen in supporting his government's efforts to attain the goals to which it aspires, knowing full-well that there are as many opportunities as there are grains of sand to achieve material aspirations which do not require those seeking them to follow the hard path and which do not need naring. Yet, this citizen creates his own path to perform his duty, enduring the hardships of this path, which may not be small.

One such accomplishment is a housing project consisting of 320 two-floor villas for the Saudi Airways employees. The project is located in al-Raka area between the cities of al-Khubar and al-Dammam in the Eastern Province. The project was started and nobody paid it any attention in its first weeks. But a few months later, people began to talk about it and it turned into a recurrent subject of discussion because it had turned into a tangible reality for which unexpected resources had been amassed: Nearly 2,000 workers, medical clinics, modern restaurants, equipment with maximum efficiency and non-stop work for 24 hours a day.

We ask: Who is behind this project?

Those who like to exaggerate say that there is behind the project a worldwide French firm which has built similar projects in Europe, Asia and Africa and that this is why matters have proceeded so smoothly. Others say that such and such a firm, a 30-year old firm with thousands and thousands of workers, is behind the project.

But the truth is different. There is no French or British firm and "old" so and so's firm has nothing to do with the matter. The executor is a 100 percent national firm (the firm of Badr 'Ali Dhiyab and his sons). The owner is a young man in his early 30's, his firm is only a few years old and this firm did not have thousands of workers before this project. But he has chosen to follow the hard path, as I have already said. He accepted this challenge and amassed for the project resources which neither the project owners themselves nor others had expected. This is why the owners set a period of 3 years for completion of the project, beginning at the time the construction sites are handed over to the firm. But the firm wanted to reduce this period by a great degree, to reach the final touches of the project now and to set the final quarter of this year as the date for delivering the completed project.

Project Story

This project has a background. The state has established the Real Estate Development Bank whose task is to advance adequate loans to any Saudi citizen who wants them for housing or for investment. The government has set extremely soft and tempting terms for the loans. The fundamental condition is the ownership of land. Many people in all parts of the country have taken advantage of these loans and thousands of villas, palaces and enormous [apartment] buildings have been constructed in all the Saudi cities, which have sprung new wings that, in turn, have become self-contained towns. All this has happened within a few years. A number of the [Saudi] airways employees decided to take advantage of the bank loans and to move their families to live in housing in one area in the Eastern Province. They also decided to entrust implementation to a single firm to which they would give power of attorney to collect their loans from the Real Estate Development Bank. They contacted a foreign firm and it agreed at the outset. But it then wriggled out of the agreement because, I believe, a foreign firm is not interested in realizing a citizen's dream unless it can reap through the process a high profit that reaches the extent of greed. The private

sector projects, whatever they may be, can satisfy the seeker of reasonable profit but cannot please the greedy and cannot please those who make their calculations on the basis of reaping immodest wealth, giving the other no consideration and exceeding in their greed the legitimate and familiar extent. The Saudi official has become aware of this kind of transaction and a decisive decree has been issued providing for the expulsion of any foreign firm bidding at excessive prices.

The important thing is that the foreign firm wriggled out of the agreement and the members of the committee formed by the Saudi Airways employees felt somewhat disappointed. But they did not completely despair and they kept on looking for another firm until they met Shaykh Badr 'Ali Dhiyab, the Saudi youth in his 30's. He assigned his engineers to study the matter and shortly afterwards started the work and has never stopped. He has increased his resources manyfold, giving his family only a few hours of his time and spending the rest between the engineering office in his firm and the construction sites. His workday begins at 0500 and ends at 0030.

Shaykh Badr 'Ali Dhiyab

From the outset, his plan was to complete the project a full year or more ahead of schedule. Some of his friends saw in the plan a large degree of over-extension and a larger degree of self-confidence. The finishing work, such as painting, laying the tiles and so forth, takes one or more years to complete in a project consisting of 320 villas covering large areas. But Dhiyab insisted on implementing his plan. He increased the number of his engineers, administrators, technicians and workers to 1,800 strong and increased the volume of his equipment to the point completely compatible with his plan. To provide the workers with the climate conducive to ceaseless work, he set up on the site restaurants serving the easterner his dishes and the westerner his dishes free of charge. He also brought in 3 doctors to work at a clinic offering its services on the site and free of charge to the workers and their families. He also set up a precise and well-experienced industrial safety outfit in anticipation of errors and (miscalculations) and a control outfit comprised of engineers and administrators to follow up the work all the time and to check the smallest errors so that they may be corrected immediately. He put this large number of people in a state of emergency, working 24 hours nonstop. Months after the work started, the others became certain that this young man fully means what he says and that he will deliver the project as he has planned and on the schedule he has set.

I Am Definitely not Ashamed

[Question] The foreign firm's wriggling out of the contract means that the size of the profit is not enticing. Why weren't you affected by the firm's rejection and reject the project in your turn, devoting all these resources to a government project?

[Answer] Naturally, I was convinced that what you have said was one of the reasons motivating the company to renege on its decision. I knew then and I

still know that the doors of all the ministries are open to me and to every Saudi businessman, regardless of how small or big his resources. I knew then and I still know that the government of his majesty the king exerts its utmost efforts to support the Saudi citizen and pave the way for him. But I would have been ashamed of myself if I had backed down for the same reason which made the foreign firm, regardless of its nationality, back down. I am a Saudi citizen who is extremely proud of his country and who is also fully convinced that the Saudi citizen, whom the state has provided with all the means of success, must prove that he is the creative, durable and patient son of the desert. This broad wealth with which God has blessed us has not ruined our character or intellect and has not encouraged us to be lazy and lax, contrary to what is claimed by the propaganda media that are ignorant of or that disregard our inherent qualities. We can thus perform our vigilant role in supporting the efforts of our government which has devoted all the country's resources for this land and for these people.

To al-Jubayl

[Question] You are now in the final stages of this project which has preoccupied the people. What comes after this project?

[Answer] This project which we are about to complete has been just one step on the path. We now have several projects, some under construction and others about to go into implementation. One of the projects we have started is in the industrial city of al-Jubayl and it has been agreed to call it the investment project. There is a large degree of similarity between al-Jubayl project and the project we are about to complete. The Royal Authority in al-Jubayl is preparing large areas of land in various parts of the city and is supplying them with all utilities, including telephone cables. The Authority is selecting various firms according to certain criteria, including previous experience and the ability to implement on schedule and awards these areas to these firms [to develop], each firm according to its capabilities. But the distribution of sites is done in stages. The firms then construct [apartment] buildings on the sites. Three years after the start of the project, the firm becomes entitled to purchase the land at a symbolic price. The authority does not require the firm involved to either lease or sell. Thus, the firms has the absolute freedom to sell if it so wishes or to lease if it so wishes.

This is the idea behind the project. We have taken part in it and have acquired, as a first phase, a site on which we will build 100 villas at our expense. The authority will, as I have already said, supply the site with all the utilities, such as water, electricity and telephones.

[Question] When will you begin construction?

[Answer] We have already begun and the first part of this project will be ready for use as housing in a few months. We will continue and we hope that we will get more land and will build more than 100 villas.

Our Headquarters Are Here

[Question] This means you will move completely to al-Jubayl?

[Answer] We have already leased a site with an area of 40,000 square meters on a main street in the city of al-Jubayl to build the company's offices, showrooms and workshops.

[Question] Why are the headquarters in al-Jubayl in particular and not somewhere else?

[Answer] For many reasons, including the fact that the project I have mentioned is not the only project being implemented by the firm in al-Jubayl and the fact that al-Jubayl is the biggest industrial city relying on natural gas and petrochemicals and containing the biggest desalination plant, a plant which was completed in March to supply numerous cities, including the capital which is 600 kilometers away from the plant, with drinking water. The reasons also include the fact that al-Jubayl is now undergoing a real construction revolution by virtue of its being the center of attention of the world's industrialists. Numerous projects compatible with the city's name and importance will be built in this city, including an international airport. These projects will further include a number of well-known and quality hotels, such as Holiday Inn hotels. Considering our previous experiences and our resources, al-Jubayl is a natural headquarters for us. But this does not preclude our moving in all directions and setting up branch offices in any Saudi city where we reach agreement on a housing project similar to or different from the project of the Saudi Airways employees.

And...An Iron Complex

[Question] Do you think you will repeat your experience in building the Saudi Airways employees' project (in building other similar projects)?

[Answer] There is nothing to prevent this. On the contrary, the firm's plan calls for moving forward in this direction, cooperating with any group that meets the conditions met by the Saudi Airways employees. Moreover, we are about to begin building a bigger housing project in the city of al-Jubayl.

[Question] What are your conditions?

[Answer] There are no conditions. The Royal Authority in al-Jubayl grants any Saudi citizen working in al-Jubayl a plot of land free of charge and it does not require that the recipient be a worker of the authority itself. These people want to build their homes by way of the facilities offered by the Real Estate Development Bank. The authority, we are grateful to say, has granted our firm an office which is being used by one of the authority's top officials to receive the applications of the citizens wishing to build their homes on the same terms as the Saudi Airways employees. So far, our office has received more than 100 applications and this figure is expected to rise to 700 this year.

[Question] Don't you think that starting two projects with such dimensions is likely to affect the performance and the element of time?

[Answer] Yes, I agree with you, if the company wants to implement more than one project with the resources of a single project. But our firm management does not start one project at the expense of another and does not take this piece of equipment or this engineer from this site to another. Rather, our firm prepares for each project whatever means of implementation it needs, and more. Therefore, such effect is out of the question altogether. We have learned a lot from the project of the Saudi Airways employees and we will use what we have learned in implementing any other project we have already started or we will start in the future, God willing.

This is also why we don't want to follow the conventional method of performance by tying ourselves to a single project, not leasing this project and not thinking of others until we complete it. There is no justification for such an approach. The world is full of labor of all specializations, showrooms are full of equipment, our country abounds with opportunities and the firm has a complete outfit with high qualifications to study various kinds of projects.

New Sphere

[Question] It is noticed that you have so far confined your activities to housing complexes?

[Answer] On the contrary, the company has previous experience in numerous spheres and is prepared to implement any project, even if it has nothing to do with construction. Let me give you an example. We were chosen recently by the Royal Authority as the sole concessionaires in al-Jubayl industrial city to repair and maintain the ships in the city's ports, in addition to building hangars, bridges and storage tanks. As you can see, this is an extremely complex work and a heavy responsibility. We plan to deal with the entire world through its ships. At the same time, this is an extremely sensitive task and just being chosen for it allows us to be proud because this choice means great confidence in our ability to perform such sensitive work.

[Question] When will you start implementing this project?

[Answer] We have already completed the feasibility study and we expect to complete the procedures for acquiring the land in the near future. We will then get the license to build this plant, all of which will not take a long time.

International Hospital

[Question] I have learned from Dr Samir 'Adluni, the firm's vice president, that you are about to begin building a hospital. What is the story of this hospital?

[Answer] We want to achieve quality accomplishments in numerous fields and we don't want to imitate this or that firm just because it has achieved success. This is why we always think in the company of what we should do to realize these quality accomplishments, regardless of the sphere. What is more important is to have our own ideas and to march on paths we open for ourselves. This is why we have proceeded on the path of housing complexes in the manner I have described to you and why we have studied and are studying several projects, including the construction of an international hospital. We are conducting the feasibility study on this hospital at present and we expect to complete the study phase in nearly 2 months.

[Question] But the path of hospitals is considered a well-trodden path?

[Answer] It is so. But our study is based on building this hospital in a manner totally different from the well-known conventional hospital. It will be new in its architecture and in its services and we will mobilize for it, God willing, high qualifications in all spheres. There are many details that can convince you of its uniqueness. But as I have already said, the project is in the study phase and there is no place for revealing more information about it.

External Activity

[Question] I have also learned that you are about to build a project outside the kingdom?

[Answer] The truth is that the company has already established branches in some international capitals, such as London, and Arab capitals, such as Damascus, and has its activities in these countries. But we are now in the process of establishing a branch office in Lebanon. I went to Beirut a few days ago, met with the officials there and discussed the matter with them. I can say that the plan for a branch office has been welcomed.

[Question] What is the activity you plan for this new branch office?

[Answer] You know that the war of the recent years has harmed all aspects of life in this magnificent country, including construction. The war went on around the built-up areas for years and destroyed countless villas, apartment buildings and hotels. Then followed the Beirut siege which demolished a whole lot more. Lebanon is currently going through a period which we cannot exactly call a convalescence period. Rather, we optimistically call it the period preceding reparation of what the war has destroyed. It is natural that there is a great interest in and a dire need for rebuilding what the war has destroyed, and here comes our role as a firm specialized in quick construction.

[Question] Will you transfer to this branch equipment and personnel from here?

[Answer] When we say establishing a branch office, we don't precisely reflect our plan. In fact, we have planned for our activity in Lebanon to be of very large dimensions. This is why it is expected that the resources of this branch will be as big as those of the main office, perhaps even bigger, if necessary.

[Question] What, precisely, are the activities of the other international branch offices?

[Answer] They are activities that cover numerous commercial, construction and public service spheres.

No to Foreign Firms

[Question] I notice that you have not cooperated so far with any foreign firm through partnership in implementation. Is this a position on your part?

[Answer] You can call it so. This position is not out of an unjustifiable fanaticism or rejection of mixed experiences. We did previously go through the experience by going into partnership with foreign firms. But we then took ourselves out of the partnership and adopted this position.

[Question] For what reasons?

[Answer] For numerous reasons, including what I pointed out at the outset of this interview, namely that I am a Saudi citizen who shoulders all the duties of citizenship. Therefore, the desire for profit is not my entire motive. This does not at all mean that I am not seeking profit. But it is a reasonable profit justified on all sides. The foreign firms have a different view. This is one reason. The second reason is that we often cooperate with the foreign firms for their expertise and expertise is available to whomever wants to import it, if he needs it. The advanced means of implementation are also available. Thus, the negative aspect in this [cooperation] becomes larger than the positive aspect. What I am saying should not be considered criticism of other brothers who guarantee [foreign] firms or enter into partnership with them. The fact is that this is a matter of different views held by different people, which means that there is no decisive mathematical criterion saying this is right and that is wrong.

With this question, we concluded our interview with Shaykh Badr 'Ali Dhiyab, the young man in his 30's who has accepted the challenge and who has been described by others as unrealistic. But he has succeeded in the experience and achieved success that has amazed his watchers.

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EASTERN PROVINCE HEALTH PROJECTS DISCUSSED

Riyadh AL-RIYAD in Arabic 2 May 83 p 2

/Article by Jabir al-Asmari, Sa'd al-Munif, and Muhammad Hilal: "The Minister of Health Inaugurates a Number of Health Projects in the Eastern Province"/

/Text/ Al-Qusaybi says: "A special center will be set up in the King Faysal Specialist Hospital to handle accident victims."

Al-'Ammari says: "The military hospital takes all emergency cases, without exception."

Al-Khuwayshiki says: "The Central First Aid Building in Riyadh will be finished within 10 months."

The acting minister of health, Dr Ghazi al-Qusaybi, next Wednesday will be inaugurating two new health centers in the al-Ahsa' region--a medical clinic in the al-Mubarraz area and a medical clinic in the Mahasin area in al-Hufuf. These two centers have been furnished with medical and nursing personnel as well as medical and technical equipment and apparatuses.

Dr al-Qusaybi will also be inaugurating the Ministry of Health's first center for the treatment of toxic illnesses in Dammam. This center will be equipped with the most modern available medical equipment for detection of the various types of toxic illnesses. The center will operate 24 hours a day, and citizens will be able to make phone calls to the center in order to receive advice concerning the various topics related to illnesses and their treatment.

Next Wednesday evening the acting minister of health will also inaugurate a new children's health institute in Dammam.

Construction of this cost a total of 168 million riyals, and it occupies an area of about 10,000 square meters. The institute will teach and deal with the following medical specializations--health inspection, health monitoring, combatting malaria, bilharzia, and contagious diseases, quarantining, training for medical assistants and health inspectors, /training for assisting doctors during/ operations, pharmacology, and anesthetization. The institute also has a water desalinization plant, a recreation center, a restaurant, a library, a stage, a dormitory for students studying at the institute, classrooms, medical laboratories, and student labs.

The institute will be accepting students holding a /Saudi/ secondary school diploma as well as students from the nations belonging to the Gulf Cooperation Council. These students will be receiving the same benefits that all students receive, that is, a monthly stipend of 1,825 riyals. They will be given room and board as well as training apparel, and they will be provided with transportation. Students entering the institute will be given Grade 2, and upon graduation they will be given Grade 5. The period of study in the institute will be 3 years.

In a private interview with AL-RIYAD, Dr al-Qusaybi said that the Ministry of Health and the King Faysal Specialist Hospital have worked together to establish a special center in the King Faysal Specialist Hospital to receive accident victims. This center will be inaugurated with the next 4 months.

Concerning health projects, Dr al-Qusaybi said: "We have a project to build a Marriott hotel in Khurays, but at the present time we are making blueprints to transform this building into a hospital. Also, maternity beds will be put in all areas of the city of Riyadh in order to take some of the pressure off of the Riyadh Central Hospital. In addition to this, next week we will see the inauguration of a mental health hospital, for which a special building has been constructed. The Pulmonary Diseases Center will be transferred to another building and will constitute a special hospital." Concerning the possibility of expansion and building new medical facilities in cities other than Riyadh, Dr al-Qusaybi said: "This expansion is going on in all the cities of Saudi Arabia. At the present time the Ministry of Health is constructing a new maternity hospital in al-Ta'if, and this hospital will open soon. Another new maternity hospital is being constructed in Medina, and it also will soon be ready to receive patients. The Ministry of Health has also started building a new general hospital in Jiddah. Furthermore, with a few days two medical clinics will be inaugurated in the city of al-Hufuf in the al-Ahsa' region, and next month a 300-bed maternity and children's hospital will be inaugurated in Dammam."

Concerning the donation of blood, Dr al-Qusaybi urged all generous citizens and foreign residents to go to the blood banks which are at various locations in the cities of Saudi Arabia and donate their blood in order to help their fellow human beings who are in need of it. He went on to say: "It is difficult for us to purchase blood from international blood banks, /and this should not be necessary anyway since/ we have sincere citizens and virtuous foreign residents who are capable of engaging in the minor task of donating blood for us. Blood donors will be given special prizes as incentives. Also, the blood banks only take blood from people whose medical condition allows them to be donors. Blood donors do not suffer any ill effects as far as their health is concerned. Whoever donates blood will have blood earmarked for him in case--God forbid--he should ever need it in the future. Blood donors will be given certificates of appreciation along with cards showing the amount of blood that they have donated."

Concerning the job level given to graduates of health institutes, the deputy minister for planning and development in the Ministry of Health said the following: "Approval has been granted by the higher authorities to give graduates Grade 5-Step 3 instead of Grade 5-Step 2. This was done in order to encourage Saudi students to hasten to enroll in the various health institutes located in the cities of Saudi Arabia."

Concerning health projects in the Eastern Province, Dr 'Abd al-Rahman al-Suwaylim, director of health affairs in the Eastern Province, said: "Next Wednesday the acting minister of health will inaugurate a health institute in Dammam as well as a toxic illnesses center--considered to be the first center /of its type/ established by the ministry. He will also attend a graduation ceremony for 80 of the students of the health center. This institute was built in the most modern fashion. It has everything that a student would need while studying at the institute. By opening such institutes we are attempting to increase the number of Saudi medical personnel and people working in the field of nursing at our hospitals and clinics." Concerning the possibility of receiving emergency cases in the military hospital, Brig Gen Muhammad Ibrahim al'Ammari, director of the al-Kharj-Riyadh Military Hospital Project, said: "His Highness Prince Sultan ibn 'Abd al-'Aziz has issued orders to receive all emergency first aid cases without exception and to refer some of these cases to other health centers if necessary. The cases that will be officially referred to us will be cases involving patients suffering from heart and kidney diseases as well as some chronic illnesses."

Concerning the new emergency first aid building which is still being constructed and which will be finished 10 months from now, Dr Ishaq al-Khuwayshiki, director of the Riyadh Central Hospital, said the following: "This building will have three floors. Each floor will have a total area of 1,050 square meters. The first floor will deal with handling emergency first aid cases, and will have 16 beds where patients can be kept and observed. The second floor will have three operating rooms and a recovery room. The third floor will have 11 new operating rooms which will be organized according to a new system, and will also have a large recovery room area. The operating rooms will be located in one area and on the same horizontal level instead of being organized according to the current system in the old first aid center."

Concerning the number of cases handled by the emergency first aid center, Dr Salih Muhammad Qunbaz, assistant director of the Riyadh Central Hospital, said: "We have handled up to 800 cases in a single day. There are other people who come to the first aid center, but we see that their condition does not require them to do so. We urge such people to not come to the center in order to allow others to do so who really are emergency cases." Concerning the number of doctors working in the first aid center, he said: "We have 10 doctors on the morning shift, 10 doctors on the evening shift, and there are 5 doctors who are on call. There will be an increase in the number of doctors in the various departments of the hospital and the emergency first aid center. Also, the ministry has brought in 80 new nurses from the Philippines, and they will be distributed throughout the various departments according to need."

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EASTERN PROVINCE AGRICULTURAL DEVELOPMENT DISCUSSED

Riyadh AL-RIYAD in Arabic 10 May 83 p 4

/Article by 'Abd al-Latif al-Milhim: "The Course of the Growth of Agriculture in the Eastern Province"/

/Text/ There are 3.5 Million Date Palms in the al-Ahsa' and al-Qatif Regions, a Total Area of 300,000 Dunams is Being Cultivated, there are 207 Poultry Farms, and There are Complete Services for All the Farmers and Planters.

Al-Ahsa'--In spite of the severe climatic and natural conditions which characterize Saudi Arabia and which are embodied by the fact that Saudi Arabia has such large desert areas, such high temperatures, and so little rainfall, agriculture in our country nevertheless has managed to make gigantic and firm strides. The competition which imported agricultural products are encountering from our domestically-produced agricultural products is a sure sign that agriculture is experiencing a golden age in our beloved country. In view of the concern shown by our country's leaders for agriculture, this should be no surprise. This concern has resulted in hundreds of agricultural projects which have been implemented and are now being implemented, and has been responsible for the great generosity shown to all those who wish to invest in agriculture via the Agricultural Bank. These investments have involved reclaiming uncultivated land in order to set up agricultural projects there, and people willing to be involved in this have been receiving improved seed, have been furnished with agricultural instruction, and have been exempt from paying taxes on the machinery that they buy and utilize. All of these benefits are enjoyed by Saudi farmers, and one could say that they are benefits which are enjoyed by the farmers of few other nations of the world. Since the Ministry of Agriculture and Water wishes to do everything possible to promote a flourishing agricultural sector in our country, it has established directorates for agricultural affairs in a number of provinces and it is the job of these directorates to provide all types of assistance to the farmers in these provinces.

The General Directorate for Agriculture and Water in the Eastern Province is in al-Ahsa', it is one of the more effective such directorates in our country, and it provides all types of assistance to the farmers in the Eastern Province. On the occasion of the end of fiscal year 1402/03 A.H. /1982/83/, AL-RIYAD held this interview with Mr 'Abd al-Rahman Sa'd al-Yamani, director general of the

General Directorate for Agriculture and Water of the Eastern Province in al-Ahsa'. He was asked to shed some light on the achievements of the past year, and he started off by saying the following:

Our Steps Have Been Rapid Ones

"Anyone who examines the progress of agriculture in Saudi Arabia since the establishment of the Ministry of Agriculture and Water in 1354 A.H. /1934/35/, and compares this progress with the progress made by nations in similar circumstances, will find that there really is no comparison. The reason for this is that we have had agricultural development which has made very rapid strides according to any criterion used in the modern age. This has happened first of all due to God's grace, and has also been due to the wise and prudent policy of our government and its leaders which is oriented toward sound planning and constant support for the agricultural sector in order that it achieve what we aspire to in terms of self-sufficiency and exporting agricultural surpluses.

Achievements of Agricultural Development in the Eastern Province

"Agriculture in the Eastern Province has really boomed during recent years. The area under cultivation has expanded to the point where it totals 300,000 dunams which are planted with various crops. The most important of these crops is date palms. We have a total of 3.5 million date palms planted in an estimated total area of 135,000 dunams. This represents 45 percent of the total cultivated area in the Eastern Province. The cultivation of date palms is done mainly in the al-Ahsa' and al-Qatif regions. There are about 2 million date palms in al-Ahsa' and about 1 million date palms in al-Qatif. The rest of the date palms are distributed throughout the various areas of the Eastern Province. The Eastern Province also has 2 million fruit-bearing trees of other types, the most important of which are pomegranate trees, citrus fruit trees, fig trees, peach trees, and grapevines. Vegetables occupy second place as far as agricultural products are concerned, and they are cultivated in an estimated total area of 90,000 dunams. This represents 30 percent of the total cultivated area in the Eastern Province. Field crops are in third place, and they are cultivated in an estimated total area of 75,000 dunams. The most important field crops are wheat, which is cultivated in an estimated total area of 45,000 dunams, and fodder crops, which are cultivated in a total area of 30,000 dunams. In addition to this a small amount of area is used for cultivating rice.

"The Eastern Province also has large development projects which have the objective of increasing the total amount of agricultural area, increasing production, and furnishing water for crops. The most important of these projects is the irrigation and drainage project in the al-Ahsa' region. This project undertakes the irrigation of about 8,000 hectares, and it is going to be possible to increase this area to the point where it will be 20,000 hectares.

"We also have the agricultural improvement project in the al-Qatif region which irrigates 7,000 hectares, the Harad agricultural and animal production project which occupies 4,000 hectares, and the desert encroachment prevention project in the al-Ahsa' region which protects the al-Ahsa' oasis from the encroachment of the desert and reclaims land that has become covered with desert sand.

"So far 4,000 hectares of land have been reclaimed due to this project. There are also two plants in the al-Ahsa' oasis for the processing of dates. They process dates which are purchased from farmers from all regions /of the province/. The processed dates are then sent to the international food project.

Achievements of the Plant Protection Department in the Branches of the Directorate

"Seventeen plant disease extermination teams have been assembled, and they are being used over a total area of 63,711 dunams and are treating a total of 820,368 fruit-bearing trees. A prevention program has been established to protect against some of the more widespread insect pests. One such pest is the fly which attacks cucurbitaceous fruits, and prevention measures have been taken against this fly over an area totalling 5,581 dunams. Other pests that preventive action has been taken against are borers of citrus fruit tree leaves (72,162 trees), bark insects (21,435 trees), and fruit flies (25,104 trees). A prevention program has also been implemented to protect against fungus diseases over an area totalling 6,091 dunams.

Achievements of the Animal Production Department in the Branches of the Directorate

"By 1402 A.H. /1982/ the Eastern Province had a total of 207 poultry farms, 93 of which were egg-producing farms and 114 of which were poultry-meat-producing farms. These poultry farms are geographically distributed as follows--50 egg-producing farms and 65 poultry-meat-producing farms are in the al-Ahsa' region, 37 egg-producing farms and 45 poultry-meat-producing farms are in the al-Qatif region, 6 egg-producing enterprises and 3 poultry-meat-producing farms are in the Dammam region, and there is 1 poultry-meat-producing farm in Hafar al-Batin. In 1402 A.H. /1982/ a total of 72 applications were submitted concerning the establishment of new poultry enterprises in the Eastern Province. Of this total, 47 applications were for the al-Ahsa' region, 21 applications were for the al-Qatif region, and 4 applications were for the Hafar al-Batin region. There were two applications for expansion of enterprises in the al-Qatif region, and in that same area there were also two applications for financing poultry enterprises. There were also four applications for incubators, with two of them being made for the al-Ahsa' region and the remaining two for the al-Qatif region.

"In addition to this, 11,171,880 chickens were vaccinated against the Newcastle eye virus, 7,935,450 chickens were vaccinated against the Newcastle intestinal virus, 1,566,000 chickens were vaccinated against the Newcastle muscular virus, 1,036,000 chickens were vaccinated against smallpox, and 181,500 chickens were vaccinated against cholera. Also, 85 egg-producing farms and 134 poultry-meat-producing farms were disinfected.

Achievements of the Animal Health Department in the Branches of the Directorate

"A total of 518,644 animals were vaccinated. Of this total, 35,180 head of cattle were vaccinated, 483,451 head of sheep were vaccinated, and 13 dogs and cats were vaccinated.

"The types of vaccinations given to the animals were the following--116,032 were vaccinated against blood poisoning, 63,930 were vaccinated against intestinal poisoning, 27,228 were vaccinated against cattle plague, 7,904 were vaccinated against the hoof-and-mouth disease, and 293,537 sheep were vaccinated against smallpox. In addition to this, many sick animals were treated in the Eastern Province. A total of 7,304 head of cattle were treated, as were 678 horses, 57,908 camels, 76,769 goats, 193,322 sheep, 31 cats, 17 dogs, and 318,644 chickens.

"A total of 49,700 riyals were spent of the funds set aside for date palm seedlings in the al-Ahsa' region, and 817,900 riyals were spent on date palm seedlings in the al-Qatif region. The total of such aid spent in 1402 A.H. /1982/ was 6,069,961,750 riyals.

"In conclusion I would like to mention the fact that these services are just a small fraction of the total active services undertaken by the Eastern Province's General Directorate for Agriculture and Water which is located in al-Ahsa'. We hope that agriculture in our country will always prosper."

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EXPERTS DISCUSS WHEAT PRODUCTION

Riyadh AL-RIYAD in Arabic 10 May 83 pp 10-11

[Interview with Dr. Ahmad Shinawi, president of the Public Grain Silos and Flour Mills Organization, and Engineer Fawwaz Akhdar, director general of the Office of Agricultural Guidance in the Ministry of Agriculture, by Nasir al-Qar'awi, editor in chief of AL-RIYAD, Sultan al-Bazi'i, Sulayman al-'Usaymi, and Muhammad al-Sulayman; date and place of interview not specified]

[Text] Production has increased 80-fold in 8 years.
Dr. Shinawi says: "Within 2 years we will be self-sufficient in wheat."

"Production increased from 3,200 tons to 240,000 tons in 5 years."

"The total capacity of our silos right now is 585,000 tons, and by next year it will be 900,000 tons."

"In the Province of al-Qasim we received wheat from 5,974 farmers, and it was delivered to us in 18,000 shipments during a 3-month period. In the Province of Riyadh we received wheat from 2,400 farmers."

"We provide seed locally, and we buy it for small farmers. Large-scale farmers import their seed."

"We blend our local wheat with imported wheat in order to have the best varieties of wheat." "Last year 273 million riyals were paid to 40 farmers and to one company."

Engineer Akhdar says: "The policy of subsidies is a strong incentive to increase wheat production." "Farmers obtain land free of charge and receive financial aid to buy equipment and fertilizer." "There is a trend toward the utilization of pivotal sprinkler irrigation to provide water for crops." "Seed is a factor in the quality of the wheat, and we must be sure to get the seed from sources which are reliable."

"We now have a total of 130,000 requests for agricultural land."

During Saudi Arabia's second 5-year plan period our wise and prudent government followed the trend of promoting agriculture and industry. It adopted the necessary guidelines for distributing uncultivated land in all areas that have water available, it provided, via the Agricultural Bank, loans to farmers to purchase machinery and to equip their farms, and it paid enormous subsidies to farmers who produce wheat and fodder and to those who raise different types of animals for the meat market. The government also furnished all the necessary facilities for enlarging and expanding the total area under cultivation in all parts of the country in order to achieve a secure food supply and make all the wealth of our land available to our citizens. The government also gave our farmers everything that they need in order to utilize our material capacities, our agricultural wealth, and our generous land.

Our citizens have welcomed this generosity on the part of the government and they have begun to look for appropriate land to utilize. The state is furnishing them with land free of charge, and they are also receiving loans, subsidies, and agricultural guidelines and instruction. The planting of wheat is considered to be very important because wheat constitutes the basic element for providing people with their daily nutrition everywhere. This is why the primary concern has been with wheat. Thousands of farmers have started planting wheat everywhere, and their production has begun to stream into the marketplace and be seen in all homes. The Public Grain Silos and Flour Mills Organization is an organization which provides new and strong support for the farmers. This organization buys however much wheat the farmers produce, and pays very favorable incentive prices for it. This purchasing arrangement has provided a powerful incentive for people to expend greater efforts to cultivate larger areas and to give us more abundant production. This production represents an important achievement along the road toward self-sufficiency--a stage which we expect to reach within the next 2 years.

The subject of the "Tuesday Symposium" for this week was wheat--the planting of wheat, the importance of wheat, and the various types of wheat. Our guests this week were Dr Ahmad Shinawi, president of the Public Grain Silos and Flour Mills Organization, and Engineer Fawwaz Akhdar, director general of the Office of Agricultural Guidance in the Ministry of Agriculture. Those who interviewed them were Nasir al-Qar'awi, editor in chief of AL-RIYAD, Sultan al-Bazi'i, Sulayman al-'Usaymi, and our colleague Muhammad al-Sulayman. Our first question was as follows:

[Question] We would like to have Dr Ahmad Shinawi shed some light on the experience of the Grain Silos Organization during the time when production indicators and production rates were not such that they exhausted the capacities of Grain Silos Organization. Could you please provide us with some information in this regard?

[Answer] Dr Shinawi: The organization was founded 10 years ago. One of our objectives has been to create strategic reserves of wheat. Our other main objective has been to provide different types of flour which are both healthy and of good quality, and to contribute toward agricultural development.

The first thing that happened was that a U.S. consultant firm made an economic feasibility study for the project as a whole and did a field survey of all of the different regions of Saudi Arabia. The recommendation was that there be two [grain silo] projects--one in the port of Jiddah and the other in the port of Dammam. Each project was to be considered a complete project, including silos to receive wheat directly from ships and to store it, flour mills for producing flour, and a factory for the production of fodder. All of these facilities were to be in the port and interlinked with each other. The objective of this was to be to save transportation [time and costs].

The Riyadh and al-Qasim Projects

There is one factor which was important concerning the orientation of the organization. After the feasibility study was made, I personally was of the opinion that there should be a third project in Riyadh for the purpose of promoting agricultural development. I was of this opinion because, according to the royal decree which was issued to establish our organization, promoting agricultural development was to be one of the basic objectives which the organization was to contribute toward achieving. Another reason for having a project in Riyadh was to have a project near the market of the central area of the country. However, the consultant firm did not go along with this suggestion. The people in the consultant firm believed that wheat could be transported by railroad from Dammam to Riyadh and that there was no need to set up a project in Riyadh. We appealed to the administrative board [of our organization] for a decision concerning this matter, and fortunately it supported the idea of setting up a project in Riyadh. Riyadh is located in the center of the Dirab-al-Kharj agricultural area. There is also another agricultural area which is just as important, and it is the al-Qasim agricultural area. This area also deserved to have a project.

We requested that proposals be made concerning the project of setting up grain silos in al-Qasim to receive wheat and to sell it in al-Qasim in case this was something which would be necessary in some form or other in the future.

The proposals received were proposals based on [setting up silos having a total capacity of] either 10,000 tons or 20,000 tons. We found that a project [for setting up silos having a total capacity of] 10,000 tons would cost us about 45 million riyals. Our organization decided to begin with the 20,000-ton option, and during the beginning of 1398 A.H. [1978] we began receiving wheat from the farmers.

The total amount of wheat which we received in al-Qasim [that year] was 1,200 tons, and in Riyadh we received about 2,000 tons. The farmers had their apprehensions and doubts concerning this whole matter. They thought that this investment was perhaps something which was out of place.

During the first year the purchase of wheat by the government cost the government about 2.25 riyals per kilogram. Of this amount, one-fourth of a riyal was paid by the government as a subsidy and the remaining 2 riyals were paid by the Silos Organization.

What Has Been Achieved by Having the Government Purchase Wheat?

Having the government purchase wheat from the farmers has, in fact, achieved several purposes. First of all, it has resulted in the creation of a stable and permanent market.

The Farmers and the Problem of Supply and Demand

At the beginning the farmers were confronted with some problems. The first problem was that, when they finished harvesting their crops, they were then at the mercy of the marketplace and its law of supply and demand. Some of their types of wheat, of course, were not able to compete with Canadian and Australian wheat, both of which were cheaper than our domestic wheat.

After the creation and guarantee of a market, the second problem was that there should be an incentive price paid to them which would cover production costs.

Startling Increase in Production

Production increased to about 17,000 tons in 1399 A.H. [1979], and in 1400 A.H. [1980] production went up to 34,000 tons. By 1402 A.H. [1982] production was already up to about 240,000 tons. In other words, within 8 years production increased 80-fold. Naturally this was something which exceeded all of our expectations.

The Government Has Provided Incentives and the Citizens Have Responded

It appears to me that the government has provided incentives and the citizens have responded to them. What has taken place seems to me to be something that we should be proud of.

The Ministry of Agriculture has not been negligent. It has undertaken a survey of our agricultural lands, has provided services, and has undertaken tests to find out which types of wheat are suitable for the climate in Saudi Arabia. The government also has not been negligent. It has created the Agricultural Bank, and the Agricultural Bank has furnished long-term easy loans involving no interest payments. All of these things have helped. When the government created the market and set its incentive prices, the farmers then proceeded to get to work. During the last few years we have seen the establishment of joint-stock companies, and we have seen businessmen enter this realm of activity on a large-scale basis and with a spirit of economic commitment. The agricultural projects were at first on a small scale, but now they are on a scale involving thousands of hectares. In my opinion there is an indicator which can show us how large the amount of investment is that has been made in the field of agriculture. Last year, for example, 40 farmers and one agricultural company were paid 253 million riyals of the overall amount which was paid for domestic wheat--which was 808 million riyals. This represents more than 30 percent of the total amount paid to purchase wheat.

The Subsidy Plays an Important Role in Production

[Question] Mr Akhdar. Judging by what Dr Shinawi has said concerning the increase in the rate of production, do you believe that this has been the result of the policy of subsidies adopted by the government or the result of the trend of investment among individuals and the degree of participation by you people in the Ministry of Agriculture?

[Answer] Mr Akhdar: A number of factors have been responsible for this trend. However, we can say that about 90 percent of it is attributable to the policy of agricultural subsidies. At first the farmers were more concerned with producing fodder for their cattle or sheep than they were with producing wheat. The ministry noticed this trend, and then it oriented itself in another direction--that of buying the crops from the farmers at a favorable price. This has caused the rate of production to increase during the last few years. Furthermore, subsidies are both direct and indirect, and it could be that our citizens are not aware of them. But the farmers and investors are indeed aware of them.

The indirect subsidies consist primarily of the loans which the government is providing, and they amount to a maximum of 20 million riyals per individual. Also, each individual is granted an area of 4 [square] kilometers of land. Furthermore, the farmers receive aid amounting to 50 percent of the cost of their agricultural machinery. They also receive aid amounting to about 45 percent of the cost of their fertilizer. All of these factors have meant an opportunity for the farmers, and they have taken advantage of them by planting wheat and increasing their production of it.

[Question] Do you feel that the basis of our agricultural policy in Saudi Arabia should be one of expanding wheat production and encouraging the planting of wheat in view of what we know about the lack of water resources in Saudi Arabia and in view of what some people are saying about the fact that our water reserves are being depleted?

Wheat, Water, and Advanced Irrigation Methods

[Answer] Mr Akhdar: The fact is that we are moving in two directions. We are moving toward expansion in the cultivation of wheat, and we are moving toward being able to provide the water necessary for advanced irrigation methods.

The original method was to flood the cultivated areas with water. But this resulted in small cultivated areas using up large quantities of water. Now we use the method of pivotal irrigation, which is a modern method that is economical and saves large quantities of water. Also, we are choosing high-quality [water for irrigation]. All of this is helping us to move in the right direction. In addition to this we are attempting to utilize [only] desalinized water as drinking water in order to save the ground water for agricultural purposes.

We Buy U.S. Wheat at 700 Riyals Per Ton, Our Wheat Costs 3,500 Riyals Per Ton, and Our Price Is an Incentive Price

[Question] If the Silos Organization becomes a joint-stock company or becomes a private sector organization, will it continue to pay the farmers the same price that the government now is paying for the wheat?

[Answer] Dr Shinawi: The price that our organization started buying wheat at was five or six times as high as the price of wheat in the international market. The reasoning was that domestically-produced wheat was insufficient and wheat had to be imported. This price was decided upon by an appropriate higher committee which represented several ministries. The objective was to set an incentive price which would encourage the agricultural sector to develop its agriculture. This committee meets every year and reviews the price, production costs, and the level which production has reached at various times. But if you are asking whether or not we are able to sell Saudi wheat in the international market at a price of 3,500 riyals per ton or \$1,000, the answer is that of course we cannot do this. The reason is that the best brand of U.S. and Canadian wheat sells in the Saudi market for less than 700 riyals per ton.

[Question] Does Saudi wheat differ from any other wheat as far as its characteristics and nutritional value are concerned?

[Answer] Dr Shinawi: I do not think that there is any difference if you are talking about the percentage of protein in the wheat. We are still in the beginning stages as far as wheat cultivation is concerned, and consequently the varieties of wheat that we are receiving differ in terms of quality and purity. There is one variety of wheat that we make full use of, and there is another that we use as fodder. There is still another variety that we use a great deal to blend with imported wheat. These are the best varieties of wheat as far as protein and quality are concerned. Also, there are local types of wheat which are sold in the market for the purpose of making grits. I believe that, if our organization paid 3.5 riyals for this wheat, they would pay 7 riyals for it in the market. By the way, our organization does not buy this type of wheat because it cannot at all be used to produce flour.

At First There Were 11 Different Varieties of Wheat, But By Now We Have High-Quality Varieties

[Question] My question concerns the Ministry of Agriculture and the Public Grain Silos and Flour Mills Organization determining that only certain types of wheat are to be bought. This has created a problem for the farmers, and it is a dangerous indicator as far as continuity of production is concerned. All of the farmers have been using the same type of wheat and had the same type of crop. We notice that the Ministry of Agriculture is receiving a lot of telegrams that are complaining about the disease which has afflicted the farmers' crops. I believe that the existence of [only] one or two types of wheat is something which will lead to the spread of this disease in the area as a whole and the wheat will not be able to resist it. What are your comments concerning this?

[Answer] Dr Shinawi: Thank you for asking this question which is both vital and important. Allow me to answer it by reviewing the history of the situation.

When we first started buying wheat in 1398 A.H. [1978], it totalled 3,200 tons and came from Riyadh and al-Qasim. We received about 11 different varieties of wheat--8 domestic varieties and improved varieties.

These types of wheat are probably all right for the more primitive types of mills that grind local wheat for local bakeries. But modern bakeries require the production of flour which has a high percentage of protein, and these local varieties of wheat cannot be used for this purpose. So most of this wheat was sent to plants where they make fodder. This was considered to be a loss. This situation continued until 1401 A.H. [1981] because we were still in the beginning stages, we were still beginning to encourage farmers to plant wheat, and we were still accumulating experience. We discovered that it was better to coordinate with the Ministry of Agriculture when selecting the types of wheat that were appropriate for the climate in Saudi Arabia. The problem is that if we produce flour of a type which is not suitable, the consumers will be the first ones to blame the Silos Organization for the bad quality of bread produced.

The flour produced by our organization is now used in the production of bread and sweets. These products have certain specifications that have to be met. In order that we meet these specifications on the required level, we have laboratories which operate 24 hours a day and take samples of flour during each stage of its production and analyze these samples before the flour is packaged and delivered to the consumers.

Last year we managed to reach an agreement with the Ministry of Agriculture concerning narrowing down the types and varieties of wheat which would be produced. We reached agreement with the Ministry of Agriculture that there should be only two varieties of wheat. The selection actually was made on the basis of information which, I believe, the Ministry of Agriculture had available. The Ministry of Agriculture fully realizes that these types of wheat have not been tried out for a long time in Saudi Arabia. However, the ministry still considers that the short-term testing that has been done with the wheat has shown that these types of wheat are suitable to a certain degree. We in the Silos Organization feel that they are, to a certain extent, suitable for the production of flour used for bread, although what is needed is for our wheat to be improved so that it will be, to some degree, better than imported wheat.

As for the farmers, they should not put all their eggs in one basket. The farmers started importing seed from the U.S. because the varieties of wheat which they had were U.S. varieties. They found that there was a difference in price between one variety and another, so they bought the cheaper variety--thereby sacrificing diversification and ignoring the safety factor at the same time. As for my opinion, I consider that if the difference in price means receiving an additional half kilogram [of seed per riyal], then the difference is small, especially when compared with the purchase price.

In any case, I would like to reassure our farmers that we in the Silos Organization are in constant contact with the Ministry of Agriculture. We are

interested in having the wheat cultivation project succeed, we are interested in improving the quality of our wheat, and we are interested in protecting the farmers, as much as possible, from suffering any losses.

We Want Various Types of High-Quality Seed

I believe that the Ministry of Agriculture is now selecting varieties which have demonstrated that they are good varieties and have been successfully cultivated outside Saudi Arabia in certain countries. But because of climatic differences, various varieties are being tried out in different places, and this year agreement will perhaps be reached concerning which varieties will be used next year. Both the Silos Organization and the Ministry of Agriculture are doing as much as they can to conduct serious experiments with the planting of wheat in order to come up with diverse varieties of wheat that we can use. What we want to have is an excellent variety of wheat which can also be produced in abundance by the farmers, and we want a variety of wheat which, as much as possible, cannot be afflicted by plant diseases. According to my information, there is no plant which can be immune to every disease.

Seed and Ergot

Mr Akhdar: In reply to the question about plant diseases, I must inform you that our wheat in some areas has suffered somewhat from ergot, and this fungus disease is spread by means of the seed. If a farmer imports seed from a source which is not reliable, the seed could contain this disease and the disease could then spread from this farmer's crop to the other crops throughout the whole area. The Ministry of Agriculture has anticipated that such diseases would spread because of the seed. Last year the Ministry of Agriculture set up four seed-processing stations for the purpose of eliminating ergot and diseases which cause wilting of the wheat. These seed-processing stations are located in the city of Riyadh as well as in Buradah, al-Kharj, and al-Zilfi. This year they started serving the farmers free of charge, and the seed is treated with herbicides which protect the seed even during germination and give the seed immunity.

We can therefore reassure the farmers, and we would also like to inform them that they should get their seed from sources which are reliable. The Silos Organization and the Ministry of Agriculture are working together concerning this matter.

Seed, Reliable Sources, and Cautioning the Farmers

Dr Shinawi: The seed should come from a source which is reliable and the seed must be accompanied by certificates which prove that the seed is of good quality. I believe that the Ministry of Agriculture is demanding that this seed be treated with chemical agents in order that the seed be protected. But I would like to stress one thing, and it is that these chemical agents are poisonous. I would like to urge the farmers and all of the workers to be very cautious when they are handling, transporting, and using these chemical agents. They should not touch them with their hands, they should not use the bags that they come in to package fodder, and they should not eat any of this seed after

it has been treated with these chemical agents because the chemical agents are poisonous and can be fatal.

Mr Akhdar: Concerning the varieties of wheat, we have mentioned the fact that we now have two types. However, I would like to mention the fact that the Research Office in the Ministry of Agriculture and Water, the Office of Agricultural Guidance, and the Silos Organization are working together very closely to create new types of wheat for us as a sort of safety value in case our current wheat is afflicted by diseases. The disease which we are afraid will spread is the disease called "wheat rust." The only way to prevent wheat rust is to have a type of wheat which is resistant to it. If this disease does spread, then we will need to have other types of wheat which have genes which hereditarily differ from those of the types currently being planted. The Silos Organization is now searching for a type of wheat which is a high-quality variety, and, at the same time, the Ministry of Agriculture is working on the problem of whether or not such a variety of wheat would be suitable for cultivation and would yield abundant production.

Contacts are being maintained between the Office of Agricultural Guidance and U.S. universities which are located in areas where the climate is similar to that of Saudi Arabia, the purpose being for us to discover which types of wheat they have that have been proven to be successful. God willing, we will introduce new varieties of wheat and will have more than just two varieties in the future.

Wheat and the Silos Organization

[Question] It is said that the Saudi Hotels and Resort Areas Company is concentrating on the building of hotels. Can the same sort of thing be said about the Public Grain Silos and Flour Mills Organization? It appears that the Silos Organization so far has concentrated only on wheat. Do you intend to concentrate on agricultural production of other grain crops in the future?

[Answer] Dr Shinawi: The Public Grain Silos and Flour Mills Organization is a government organization and its basic objective involves the production of wheat, flour, and fodder, as well as contributing toward the development of agriculture. I believe that it is better for our organization to have the word "grain" in its name than it would be to have the word "wheat" in its name. The idea of having an organization of this type is apparently not a new idea. I believe the idea first arose after the Suez War in 1956. The Silos Organization is in fact governed by its constitution, and this constitution has determined that wheat production be one of the basic objectives of the organization. If we want to expand the role of the organization, then we should expand the basic objectives of the organization and what the organization is expected to achieve. This would result in the expansion of the projects that the organization would be in charge of. I personally believe that wheat is our strategic crop.

We Provide Seed Locally for the Small Farmers

[Question] Concerning the subject of seed, has the Silos Organization intervened in the process of purchasing seed in order to guarantee that the seed comes from reliable sources, is safe to use, and is of good quality?

[Answer] Dr Shinawi: I believe that this is an excellent idea and is something which would spare the farmers many problems. This idea has already been discussed by the Administrative Board of our organization. I believe that an agreement has been made to allow the large-scale farmers to take care of their own seed requirements by means of importing seed, and to have the Silos Organization take care of the seed requirements of the small farmers. This is what is actually going on at the present time. The al-Qasim project now includes a factory for cleaning seed. This plant has the capacity to clean seven tons of seed per hour. The advantage of having this plant is that it can provide seed locally. It means that we can observe the type of wheat which comes to our silos and can then select and set aside the best types of wheat from which we can get the best seed. We can then clean this seed, treat it, and sell it to the farmers at cost price before the crop season begins.

High-Quality Seed For Exemplary Farmers

Mr Akhdar: For the last several years the Ministry of Agriculture has followed the policy of distributing seed, which is of a better quality than that of the seed imported by farmers, to exemplary farmers who have followed technical instructions and guidance. This seed is given to them as an advance, is distributed to them at their farms, and the operation is supervised by agricultural advisers. Then the ministry buys from them the [surplus] seed at a price which is higher than that of the Silos Organization.

This is an ongoing permanent program.

Sifting Machines in Three Areas

Last year the Ministry of Agriculture also provided three mobile wheat [seed] sifting stations. These stations are a service which is provided to the farmers. The mobile stations are located in the al-Zilfi, Buraydah, and 'Unayzah areas, because these are the areas which have gone the farthest in expanding their cultivation of wheat. The ministry has employed technical experts to train Saudi technicians to operate these mobile stations. They have already begun to operate them and to sort out wheat seed for the farmers. Of course, the scale of their operation is still small, but at least it is a beginning for the process of helping our farmers. This year the ministry has provided five more such mobile units. We are making a serious attempt to utilize them during this crop season. The new mobile stations are located in the al-Kharj, Wadi al-Dawasir, Durmah, al-Washm, and Ha'il areas.

The seed-cleaning process consists of removing all of the inferior seed--that is, removing emaciated seed which cannot be used and removing seed which is of the required size but which has a disease inside it such as the carbonization disease that makes the seed lighter than normal. These units also get rid of broken seed.

Planting Wheat in the Proper Season

[Question] Mr Akhdar. Sometimes farmers plant their wheat before the prescribed date for planting wheat. What is the role played by the Ministry of Agriculture and the Office of Agricultural Guidance in the ministry concerning

setting the date for planting wheat and making the farmers aware of this date?

[Answer] Mr Akhdar: We in the Ministry of Agriculture try to get our technical guidance and orientation not only from technical experts, but also from the farmers themselves who have had previous experience in this regard. We have attempted to collect relevant information and have attempted to arrive at a proper date for planting wheat, because in the case of wheat it is very important to know the proper date for planting. Wheat is a winter crop. If a farmer plants wheat too early, it might be afflicted with wheat diseases. But if he plants the wheat too late, then the temperature might be too high as the wheat grows and the yield will be smaller. We are attempting, to the best of our ability, to provide the farmers with sufficient information about the dates when they should plant their wheat.

The problem which we face is that Saudi Arabia has different areas with different climates, and sometimes even within the same area there are different climates, and the climate in the elevated areas and the low-lying areas differs. We are attempting to determine the planting dates for each area, and what we do is to send bulletins and instructions to the farmers in all the areas. Some of the farmers try to gain time [by planting wheat early], and others plant their wheat too late.

Irrigation is an important factor in the planting of wheat. The instructions that we provide are instructions which fit the pivotal irrigation system. Sometimes crops suffer because of a lack of water, and the reason is that these crops depend on rainfall. In such a case these crops do not get the sufficient amount of water which they require.

They Planted Wheat at the Wrong Time

Dr Shinawi: In trips that I made to al-Kharj, al-Dilam, and Zumayqau, I noticed a number of things, the most important of which is that some farmers are not adhering to the proper time for planting wheat. Some of them are planting before the proper date, and others are planting after it. Because some of the farmers planted after the proper planting date this year, the high temperature affected the wheat and the stalks of wheat ears began to bear seeds while they were still very short. I also saw wheat ears which did not have the full number of seeds. As a result of this, average production per hectare will of course be less than normal. And the shortness of the wheat stalks will cause a problem during harvesting because the wheat ears will have sand and dirt in them.

This also causes difficulties for the Silos Organization because it then receives grains of wheat which are too small, and this results in many technical problems.

For this reason we urge farmers to stick to the correct dates for planting the wheat. I do not believe that it is so difficult to know when the proper season is. I believe that if the farmers would go according to the Christian calendar rather than the Muslim calendar they would not have any problems.

Our Organization Will Not Become Part of the Private Sector

[Question] Dr Shinawi. What are your comments concerning the idea proposed some time ago about transforming the Silos Organization into a private sector organization? Do you intend to do this? Would you consider this economically necessary in order that subsidies not remain the basic impetus for our agricultural development?

[Answer] Dr Shinawi: I believe that the idea of transforming the Silos Organization into a private company is an idea which has been included in the organization's constitution. The organization is now about 10 years old. This plan was studied, and major steps were taken in the direction of implementing it. But at one stage it was found that the goal of the organization had become a goal characterized by diverse purposes. In other words, the organization has come to have a social goal, an economic goal, and a political goal--that of providing the nation with a secure food supply. If we review the situation in some detail, we find that subsidies are the factor which is preponderant in the activity of our organization.

For example, the wheat which the organization buys from the farmers is bought at a price which is five or six times as much as the price in the international market. Could shareholders make such a sacrifice?

The other matter concerns the flour that the organization sells in the market. If we assume that the flour is produced from wheat which is all grown domestically, then the price charged by the organization will be 13 riyals per bag--whereas the price per bag of wheat at which the organization buys it from the farmers will be 175 riyals per bag. This does not even count production, processing, costs of packaging, etc.

If we assume that the flour is produced from domestic wheat, we find that the price set by our organization is only 7 percent of the price of the wheat.

As for cattle fodder which is prepared for dry seasons, we find that the price is 13 riyals per bag, whereas the price which our organization pays for it is more than 30 riyals per bag. So the price in fact does not represent even 40 percent [of the production cost]. As for bran, it is true that bran is not one of our major production items, but there is an international market for it. If we wanted to export it, the price per bag in the international market would be about 30 riyals, or 25 riyals if the price had to be lowered. At the present time our organization is selling bran at 3 riyals per bag, and this price is only 10 percent of the price in the international market. So, you see, right now profit is not the basic goal. As I have pointed out, the goals are other ones. So on what basis could one transform the organization into a joint-stock company? Would the shareholders tolerate the profit-and-loss situation of such a company?

In any case, the general idea is still being studied by the appropriate parties.

Silos Are All Over the Country

[Question] According to the information that we have, the planting of wheat is being mainly done in the al-Kharj area and the area around Riyadh. But how about the agricultural areas in the Eastern Province and in the southern region of the country? What policy is being following there now?

[Answer] Dr Shinawi: If we wanted to discuss the role played by grain silos in Riyadh, al-Qasim, Dammam, Jiddah, and Khamis Mushayt, we would discover that they are located all over the country. As for the development of farms, I believe that this depends mainly on two things. You have to have an area [suitable for agriculture] and you have to have sources of water. I believe that everybody has enough land in the al-Kharj, al-Sahba', and Harad areas, and the Ministry of Agriculture played a valuable role in distributing this land. And, as we know, the al-Qasim area has long been an agricultural area. The thing which indicates that our agricultural expansion is moving ahead at a rapid pace--and I am speaking in terms of only the last 5 years--is the fact that the total area of cultivated land now has been expanded in the al-Aflaj and al-Kharj areas, all the way from al-Dilam to Zumayqah, al-Aflaj, and Wadi al-Sawasir. I believe that production will greatly increase. I also believe that the Ministry of Agriculture is undertaking extensive efforts to make a study of our water resources and to distribute land. I believe that what has been accomplished has been accomplished in record time--and I am speaking of the things that have been accomplished during the last 5 years.

Mr Akhdar: The regions which Dr Shinawi has mentioned are the regions where there are extensive agricultural areas available and where the water is suitable for growing wheat and is suitable for irrigation. As we know, the al-Qasim area has been an agricultural area since antiquity, and the same is true of the al-Ghat, al-Quway'iyah, and al-Zilfi areas.

The Eastern Province does not have much land that is suitable for agriculture. The Tabuk area now has started to grow small quantities of wheat. In the future it may be possible to grow wheat in most of the areas of the country.

The Ministry and the Bureaucracy Involved in the Distribution of Land

[Question] Some of the negative things which citizens always hear about the Ministry of Agriculture are the following: There is a lot of bureaucracy to deal with when obtaining land, the ministry is not serious about doing follow-up work concerning the granting of agricultural land to farmers, and it does not worry about whether or not the lands are utilized. We also hear that there are people who want to enter the field of investment in agriculture, but they are not serious about the implementation of our country's agricultural plan. What are your comments concerning this?

[Answer] Mr Akhdar: The agricultural land problem is not a problem which we alone have. All nations of the world have this problem. We get a lot of requests for land. Right now the ministry has 130,000 such requests. Requests come into our ministry every day. If there is particular agricultural land available which we know of and someone wishes to have this land, and there

are no problems associated with this land, then this is a matter which can be rather easily taken care of. But if there is no such land available, then first of all we have to undertake a study of the water resources of other areas which could possibly be used for agriculture. We have to find out how much water is available and how good it is, we have to study the soil, we have to make a survey of the area, and we have to find out whether or not there are any problems associated with such an area.

We Will Be Self-Sufficient in Wheat Within 2 Years

[Question] This question is directed to Dr Shinawi. When do you think that we will be self-sufficient in wheat, and what will the prices of wheat be when this happens?

[Answer] Dr Shinawi: There are two parts to this question. The part of the question dealing with prices is not something which concerns the Silos Organization. As I have said, the price is studied on the basis of production cost and the rate of production itself, and then a definite price is set and the Silos Organization pays whatever price is decided upon.

As for when we will attain self-sufficiency in wheat, the fact is that Saudi Arabia's current wheat requirement exceeds 900,000 tons. If our annual production is 240,000 tons, then this means that we produce about 25 percent of what we need. The Ministry of Agriculture estimates that this year's production will be between 300,000 and 600,000 tons. If our production is 600,000 tons, then this means that we will be producing two-thirds of what we require. If the private sector also contributes by making investments in this area, then I believe that within 2 or 3 years we will be self-sufficient in wheat.

[Question] How many farms delivered wheat to the Silos Organization during the last agricultural season?

[Answer] Dr Shinawi: The fact is that the objective of establishing the Silos Organization was to promote the interests of the farmers and the interests of our citizens as a whole. During the last 5 years our organization has accumulated a lot of experience. I have some facts and figures to give you an idea about what you are seeking to know. For example, last year our organization received wheat from 5,974 farmers. The number of shipments of wheat the al-Qasim project received was more than 18,000. All of these shipments of wheat were received during a short period of time--no more than 3 months.

The Riyadh project received wheat from more than 2,400 farmers, and the number of shipments of wheat which it received was about 11,500. These shipments of wheat were also received during a 3-month period. The wheat season or period during which shipments are received is a relatively short period of time. During the first month of the period not so many shipments are received and not such great quantities of wheat are received in each shipment. Also, there are not so many shipments during the last month of the 3-month time period. What we find is that the peak period is a 6-week period in the middle of the 3-month period. Why is this? It is because this is the time when the crop is ripe and is harvested. We have noticed in past years that there has

been too much grain for the silos and there have been bottlenecks when the wheat is delivered to the silos. One basic aim which we have had has been to organize the delivery process in order to reduce the bottlenecks and to primarily bear in mind the interest of the farmers. We do not want the trucks to have to wait in line 2 or more days to deliver the wheat. This causes the farmers to have to pay more money to the owners of the trucks which transport the wheat.

As far as the crops are concerned, I believe that as long as an inventory is made of the wheat delivered, as long as the percentage of humidity does not go above 13 percent, and as long as the crops are stored in these silos, they will not spoil. This is especially true if the storage period does not exceed 3 months. Actually this requirement does not apply in the case of most of the farmers. It probably applies in the case of about 40 or 50 farms, that is, the large-scale farms. The objective is to organize the delivery process and avoid bottlenecks. It is possible for the large farms to coordinate their deliveries with the silos in accordance with a schedule which is agreed upon in order to avoid delays. Concerning the capacity of our silos, we now have silos which can hold a total of 585,000 tons. Next year their capacity will be 900,000 tons. The Riyadh project used to have three delivery points. But there has been expansion, and this year we already have 11 delivery points. In the al-Qasim project we initially had four delivery points, but by now we already have 16 delivery points and four weighing stations in that project. But by next year we will have a total of six weighing stations in al-Qasim. But, in the meantime, when you encounter 18,000 shipments of wheat coming in in a 6-week period, how is it possible to organize matters so that those bringing in the shipments--and sometimes they bring in as much as 40 tons--can be taken care of and can go back home to their families at the end of the day?

I have visited several different countries as well as many agricultural areas. There I found farms that were much smaller [than ours] and each one of them had a small silo for storage.

9468

CSO: 4404/359

REVOLUTION GUARDS CHIEF ELABORATES ON TUDEH LEADERS' ARREST

Tehran KEYHAN in Persian 12 May 83 p 2

Ehsan Tabari was in seclusion with extremely good security measures; when unknown soldiers of the Islamic Republic discovered his hiding place, Tabari said: I am astonished that you have somehow discovered my hideout. You have won this struggle.

No one can escape the justice of the Islamic Republic; the best thing for members and supporters of the Tudeh Party to do is to declare who they are.

[Text] Brother Mohsen Reza'i, Chief of the Revolutionary Guards of the Islamic Revolution, answered questions from foreign and domestic correspondents at a press conference concerning the arrest of members of the treasonous and disbanded Tudeh Party. He said: With the arrest of more than 1,000 members at the top and secondary echelons of this party, including the leadership group, the central committee, office personnel, advisors to the central committee, and the political council, and the discovery of two printing centers, several archives of data, mostly pertaining to the foreign relationships of Tudeh Party leaders and containing such things as the correspondence of Tudeh leaders with Babrak Karmal, microfilms, forged cards, forged automobile license plates, forged documents, financial resources, and this party's modern spy equipment, the party will no longer be able to operate in Iran in any way.

Brother Reza'i, commander of the revolutionary guards, said in this press conference: Governments mean to misuse the humanitarian characteristics of the Islamic Republic. The world does not understand the slogan "neither East nor West." After the Islamic Republic's decisive encounter with America they imagined that we only stood firmly behind a slogan of "not West," and that they could compromise with us by way of the super traitor of the East. They expanded the dimensions of their activities in this area, and the traitor Tudeh Party, still not believing the slogan "not East," began its work by misusing the humanitarian qualities of the Islamic Republic.

He said: The history of the Tudeh Party from the point of view of the world's political elite has been understood; wherever the Tudeh Party has gotten a

foothold and done damage to Islam, it occurred with the complicity of America and Britain.

Citing the newspaper MARDOM, the organ of the Tudeh Party, in 1963, he said: The Tudeh Party considered the 15 Khordad [5 June 1963] uprising to be a reactionary movement, while it considered the steps the shah was taking to be progressive. He also said: Among the things the Tudeh Party did before the revolution was to establish lines of communication in Iran and establish Eastern strongholds in the countries of the Middle East. After the revolution, however, it adopted a new line; it tried to strengthen its presence in order to take over the government in the future. The Tudeh Party began by trying to avoid any kind of political confrontation by putting on a hypocritical face, to remain silent in the face of every kind of attack, and to make itself popular, so the people would forget its treacherous past. It tried to attract the support of the people with an emotional and political stand. It tried to portray Marxism as being compatible with Islam. After it had strengthened its own legal legitimacy in this way it would move to drive the executive organizations of the Islamic Republic into the arms of the East, and finally, with an overthrow, it would get into the government. The Tudeh Party would be able to get into the government when the Islamic Republic had become weakened. This was the situation when the internal plots and the imposed war came along and the Soviet Union's hand in this war was clearly seen. Along with its program to weaken the Islamic Republic, the Tudeh Party was also giving the Soviet Union political and military intelligence.

Referring to the manner in which the media affiliated with the West and the East dealt with the Soviet-affiliated traitors, Brother Reza'i said: The views expressed by the Western governments show that they still haven't understood our revolution. They want to make use of this also to validate their own previous remarks concerning the intervention of Eastern forces in the Islamic Republic of Iran. In the same matter, the Eastern bloc plans to pretend that the arrest of the main members of the Tudeh Party took place with the help of right-wing forces and Western intelligence services. These views show how hard they have been hit, and how stable the Islamic Republic of Iran is. He added: We have nullified the West's extensive propaganda; we are more opposed to Marxism than we are to Westerners. Concerning the Tudeh Party's activities and its penetration of revolutionary organizations, brother Reza'i said: Since the Tudeh Party arrests took place at a time when the Islamic revolution had gained valuable experience, we carried out these operations with great success. We had previously identified the great majority of those who had penetrated organizations. Those who had not committed many crimes were merely banished from the government's offices. This party had more than 10,000 members and supporters; it completely fell apart with the arrest of the main members.

He added: Ehsan Tabari was in hiding with excellent security measures, and when the unknown soldiers of the Islamic Republic discovered his hideout, Tabari said "I am astonished that you have somehow discovered my hideout. You have won this struggle."

The commander of the revolutionary guards of the Islamic Republic said after his talk: The fact that the leaders of the Tudeh Party have called on

supporters and members of this party in their public interviews to declare themselves to the revolutionary guards is an indication that none of the party's members and supporters can avoid declaring themselves. A number of members of this party, whose identity we did not previously know, have been identified with the arrests and confessions of the party's leaders. Therefore, no one can escape the justice of the Islamic Republic; the best thing for the members and supporters of the Tudeh Party to do is to declare themselves. This is both in their own interest and that of the country. In answer to a question about whether any member of this party has left Iran as yet or not, he said: A number of leaders of the disbanded Tudeh Party had made full preparations for leaving the country. They even had forged passports and had planned to use illegal routes, but with the timely arrest of more than 90 percent of them, this plot was also thwarted.

When asked by the correspondents how the leaders of this party were arrested, the commander of the revolutionary guards answered: The arrests began prior to Operation Va al-Fajr, in an operation called Operation Martyr Beheshti. With the attainment of complete mastery of the situation in the second phase of the operation, we arrested the first and second echelon cadres of the party throughout the country. With the arrest of the leaders of the Tudeh Party, we obtained several Tudeh Party archives, including the party's intelligence archives, which has many microfilms. These microfilms completely clarified the Tudeh Party's relations with foreign countries for us.

Concerning the manner in which Tudeh Party supporters and members are declaring themselves at revolutionary guard centers, brother Mohsen Reza'i said: The supporters of the Tudeh Party have queued up in most of the municipalities to declare themselves and register.

He said: One of the factors that persuaded party leaders to confess to their crimes was the security intelligence that we had prior to their arrest. If we had not had this intelligence, they definitely would not have confessed. By the time the public confessions were broadcast on television, the accused were in tears; they were ready, in consultation with officials, to confess to their crimes. Of course, with the documents and proofs that we had, they could not refuse to confess, but, despite all this, the leaders of the Tudeh Party have perhaps not yet divulged more than 1/1000 of the intelligence they have. While stressing the point that, unlike the shah's regime, which dealt with the people by taking political considerations into account, we will prosecute this case without regard for political considerations, Brother Reza'i said: So far several Tudeh Party arms caches have been discovered. Among the things which have been obtained from the Tudeh Party's arms and munitions caches are more than 300 grenades, 250 G-3 weapons, several RPG-7's, several rocket launchers, and quantities of cartridges and ammunition.

The commander of the Islamic revolutionary guards advised all supporters and members of the treasonous, disbanded Tudeh Party to take notice of the interviews with the Tudeh Party leaders and to declare themselves as quickly as possible at revolutionary guard centers; they may be assured that Islamic justice will take their circumstances into account and that their cooperation will lessen the penalties against them.

9310

CSO: 4640/220

FIRST CONGRESS URGES STRENGTHENED PARTY, ULEMA TIES

Tehran KAYHAN INTERNATIONAL in English 18 May 83 p 2

[Editorial: "First Congress Achievements"]

[Text] The first congress of the Islamic Republic Party ended its work successfully and recorded valuable achievements. The accomplishments of this gathering can be placed in two categories: intellectual and organizational.

Among the intellectual achievements one should mention the visit paid by the congress members to the leader of the Islamic Revolution. The visit took place on the day of "Maba's", the occasion of the commissioning of Muhammad (S.A.W.) to prophecy and gave further inspiration to the congress and its members. The meeting with the Imam gave the conferees the chance to renew their pledge with the concept of velayat-e-faghih (office of the religious jurisprudent) and this leadership principle is of course the cornerstone of the IRP.

Another achievement of the congress was simply the gathering of its members from all over the country. The friendships formed and the effective exchange of views among them will certainly have a great effect in further consolidating the party.

The primary organizational achievement of this meeting was the formalization of all institutions of this Islamic organization. Other important steps taken for institutionalizing the party included: debate and approval of the articles of association and the constitution, and election of the members of the the central and arbitration council. Moreover with the approval of the congress, it was decided that a new body, the Council of Jurisprudents, be set up to oversee all matters approved and decisions taken by the central council. This development will help the organization move along a healthier course.

The third achievement of the congress was the further solidifying of the party. Henceforth, the organizational movement of the party will be stronger and more certain. This expectation is cherished not only by members and partisans of the IRP, but the vast majority of the nation.

Another structural advance is the new composition of the central council, to which a great number of ulema and religious authorities have been added. In

this alignment the number of religious scholars on the council has doubled. This fact together with the Arbitration Council roster and the addition of the institution of the Council of Jurisprudents are clear signs the party members are united in preserving the Islamic identity of the IRP. The vivid restatement of this Islamic tendency is certainly among the most important achievements of the first congress.

It is now necessary to refer to a point the observance of non-observance of which will determine the success or failure of this Islamic organization in achieving its objectives. This party will flourish only if, in the words of the Imam, it calls people to God rather than to itself. To date, the IRP has tried to act according to this essential principle. During their speeches to the congress, President Khamene'i, the Secretary General of the IRP, and Majlis Speaker Hashemi Rafsanjani stressed this principle as the most essential one for the future of the party.

The fact is if the IRP wishes to remain as a purely Islamic organization, pursuing the goals and ideals of the prophets and following the course charted by its founder, Martyr Ayatollah Beheshti, it must as before be fully submerged in the Islamic revolution. Its members should be the symbols of sacrifice and self oblivion and besides that, take heed of, and act according to, the lofty words of its first Secretary General, Ayatollah Beheshti who used to say: "A maximum of possible attraction and the necessary amount of repulsion are among the characteristics of the line of the Imam."

Now the conditions are ripe for the attraction of potential talent within the society. In theological schools, the revered ulema as well as young theological students look upon the IRP as the future hope for safeguarding the lofty values of the Islamic Revolution. The Imams of Friday congregational prayers, various classes of the society, from the educated and university people to tradesmen, workers and farmers are deeply attached to this Islamic organization and expect nothing but genuine Islamic endeavor and behavior from it.

On the other hand, the enemies of Islam and the Islamic Revolution will, from now on, draw up more accurate plans to counter the IRP. A great part of their efforts will be an attempt to divide the party from the ulema. Hence it is incumbent on all members of this organization to strengthen their bonds with the ulema.

By virtue of the divine concept affirming the necessity that religion be combined with politics, the ulema, Friday imams and theological students should always show readiness to cooperate with the IRP, which is the party of ulema.

With the profound achievements gleaned from its first congress, it is hoped that the IRP can, more firmly than before, continue guarding the achievements of the Islamic Revolution led by Imam Khomeini.

CSO: 4600/663

ISRAEL'S TIES WITH SHAH, KHOMEYNI DETAILED

London AL-DUSTUR in Arabic No 285, 9 May 83 pp 24-25

[Article by 'Ali Nurizadeh]

[Text] When the Iranian Emperor Cyrus attacked Babylon and set free a hundred thousand Jews whom Nebuchadnezzar had captured and to whom Cyrus gave the keys to Jerusalem, some of them went to Iran and settled in its western cities, for example, Ecbatana (now Hamadan) and Kermanshah. For these reasons the leaders of the Jews and their rabbis proclaimed the holiness of Cyrus and inscribed his name in the Torah as a saint whom Yahweh sent to protect and guide the Jews to the Holy Land in Palestine. No more than 5 years elapsed from the voluntary migration of the Jews to Iran and their praise of Cyrus when they plotted against his agent in Ecbatana and killed him. This angered Cyrus, but he had sworn an oath in Jerusalem that "he would never harm the Jews." Instead of arresting them, he ordered them to be exiled to Khorasan in Northeastern Iran.

The Iranian kings who followed Cyrus kept their promise to the Jews and allowed those who stayed in Iran to become Iranian citizens. Moreover, Cyrus' grandson Ahasuerus (Artaxerxes) married a Jewish woman named Esther who became the empress of Iran. Her name was inscribed in the holy books of the Jews. But because the ulema were unwilling for a Jewess to sit on the throne and Zoroastrianism was the official religion, Ahasuerus was forced to marry another woman. After the news of his marriage reached Esther, she fled to a synagogue in Hamadan where, according to a Jewish legend, an angel appeared and told her she was a saint. From Esther's death until now her tomb has been considered one of the centers of Jewish worship in Iran and the world.

So began the relations between the Iranians and the Jews. The Jews lived in peace and security through the centuries, especially after the Iranians embraced Islam. They respected the Jews, in accordance with Muhammadan law, because they are the people of the divine books, as stated in the Koran.

In past centuries the Iranian Jews engaged in trade, management of places of entertainment and services like taverns, listening to music and watching dancing.

In the Safavid period, Shah 'Abbas gave the Jews a special quarter in the city of Isfahan. The English traveler Chardin who visited Iran at this

time wrote of the Jews: "I did not believe that I saw in the Jewish quarter of Isfahan. Iran now belongs to the Jews and, by the grace of Karimshah, they have influence, money, and gold...Isfahan's Muslim youths live the Thousand and One Nights in the Jewish quarter."

Chardin describes some of what he saw: "A Muslim youth comes to the quarter where he is welcomed by any house owner...The master of the house knows nothing except the gold pound and therefore opens the "special visitors room." After a few minutes a beautiful Jewish woman enters with a tunbur, an Eastern musical instrument, and a pitcher of Isfahani wine. She then plays the tunbur, dances and sings while the guest drinks."

This then was the situation of the Jews in Iran. They amassed wealth and no one interfered with their way of life. They performed their religious rituals in total freedom. When the Iranians forced the Qajar Shah Muzaffar ed-Din to accept the constitution or Mashrutiyyat (constitutional regime) and establishment of the constituent assembly and national assembly in 1902, the constitution provided six seats in Parliament for the religious minorities, including two seats for the Jews.

In the 1920s Jewish relations with the Muslim majority passed through a period of tension because of Jewish partiality to the Bahais whom the Iranians looked upon as British spies.

At that time there was no single explanation of why the Jews were partial to the Bahais. After imperialism created the Zionist state and world Zionism's support of the Bahais became clear, the relations between the two could be explained.

When the Bahai leader 'Abbas Effendi, a Mason and a British agent, traveled to Palestine and settled in Acre, the British authorities and the Zionist organizations honored him, but the Iranian government was angry and the problems of the Jews in Iran began. The late Shah's father Reza Shah forced them to proclaim their dislike and disavowal of Bahaism.

World War II broke out and additional thousands of Jews migrated to Iran after what happened to them in Poland, Czechoslovakia, Russia, and Turkey. Iranian society faced many problems because of the increasing number of European Jews in Iran.

When Israel was created and Jewish immigration to occupied Palestine started, the European Jews in Iran began a second exodus to Palestine. However, the ancient Jews of Iran, after they learned about the way of life in Palestine, did not leave the country. They continued to live there to make money and amass excessive wealth, some of which they sent to Israel to support the Jewish state.

Iran recognized Israel in 1948, but Dr Mosaddeq became prime minister 6 months later. He was a popular hero because of his struggle against imperialism and colonialisms. The religious authorities like the Shiite theologian Ayatollah Kashani, speaker of the Iranian Parliament in the time of Mossadeq,

were supporting the latter against colonialism while he was bestowing great honors upon them. Ayatollah Kashani visited Egypt, Saudi Arabia, Iraq, and Syria in 1949 to gain support for Iran when it undertook to nationalize its oil. The Arab leaders said to the Ayatollah: "We want to support you, but you recognize Israel." Ayatollah Kashani did not know that Iran had officially recognized Israel. He therefore announced in Egypt that Iran is an Islamic country and that it has no relations with the Zionist state.

When Kashani returned to Tehran, Dr Mosaddeq in his capacity as prime minister issued an official statement in which he repudiated the recognition of Israel. He also dismissed the Iranian representative in the United Nations who had recognized the Zionist state before the arrival of Mosaddeq.

Mosaddeq nationalized Iran's oil. The forces of imperialism and colonialism plotted against him and overthrew his regime, starting the involvement of American intelligence and American agents in the region. When Egypt fought against the three enemies, the Shah recognized Israel by a fait accompli and the news reached Jamal 'Abd al-Nasir who ordered the recall of the Arab Republic's ambassador from Iran and severed relations between the two countries. When the Shah was planning to organize the secret security forces SAVAK, the Israeli intelligence agency Mosad undertook to train SAVAK personnel and opened an Israeli-Iranian relations office on Kakh (now Falastin) Street. This is the very office that Dr Shahpur Bakhtiyar closed after Iran withdrew its recognition of Israel and announced its recognition of the PLO as the sole legitimate representative of the Palestinian people. But Bakhtiyar did not remain president very long and after Khomeyni came to power, he offered the Israeli office to Abu 'Ammar as a gift from the "Iranian revolution" to the Palestinians. At that time Abu 'Ammar did not know that Khomeyni was much worse than the Shah who would attack them from behind with the Israeli knife.

At any rate, the story of the relations of the Shah's regime with Israel is no secret to anyone. There was an unofficial Israel ambassador to Iran named Ezra, a Jew of Iranian origin. Iran also sent its representative to Tel Aviv.

General Yakub Nimrudi, chief of Mosad in Iran, was one of the major advisors of the Iranian intelligence organization. He played a big role in determining the direction of Iranian relations with the Arab states.

Tehran was an open city for Israeli intelligence to plot against the states of the region. For example, there is much evidence that General Nimrudi played a part in the war of Barzani's band against Iraq. General Nimrudi visited Mullah Mustafa Barzani many times and sent him large quantities of arms.

Nimrudi lived in Iran like an uncrowned sultan, giving orders, domineering, advising, and reviling. Here I must mention what General Rabi'i, chief of the Iranian Air Force, said before the arrival of Khomeyni. (He was later executed in the "revolutionary" courts). Rabi'i told the court: "I was chief in name only because the orders came to me from the Israeli embassy." During the June 1967 war Moshe Dayan, Israeli war minister, visited Tehran

twice and met with the Shah. The Shah sent large quantities of oil to Israel and Israel sent some of its planes to Iranian airfields in fear of an attack by the Egyptian Air Force.

The truth is the relations between Iran and Israel were stronger than those between any two other countries, but a new page in the history of the relations with the Arabs began after the advent of Sadat and the late President Jamal 'Abd al-Nasir. Sadat and the Shah began to draw closer together and when the October war broke out, the Shah did not give any support to Israel. In fact, he sent large quantities of oil to Egypt. After relations with Iraq improved following the Algiers conference, the Israelis became angry with the Shah. Tel Aviv's broadcasts joined British broadcasts in attacking the Shah and spreading news hostile to him. Then came the Iranian events and the Israelis announced at the outset that they were disturbed by the situation in Iran and by the appearance of religious extremism. Secretly, however, no one was disturbed and no one believed the demonstrations with their expressions of hostility to Israel.

Khomeyni came to power and at first announced that he supported the Palestinians. He gave them the Israeli-Iranian relations office. He also ordered that the name of Kakh Street be changed to Falastin Street. However, with the beginning of the war against Iraq, the mask was torn from his true self and lying claims. One must look at what happened in the 4 years of Khomeyni rule in Iran.

Israel has supported Khomeyni's regime with ammunition and arms. It benefited from the war and attacked the Palestinians in Lebanon. Solid relations undoubtedly exist between Israel and Islamic Jihad Group which split off from the Shiite Amal organization in Lebanon.

The leader of the group is Hoseyn Musavi, a cousin of Sadeq Tabataba'i, brother of the wife of Ahmad Khomeyni (whom the West German authorities expelled because of drug smuggling). Sadeq Tabataba'i visited Israel in the last 3 years. A number of articles have been published to date about the story of Tabataba'i and Israel. The last such was a television film shown on channel 7 in West Germany. People saw pictures of Tabataba'i in Israel and pictures of his passport and visa in Israel.

Who besides Israel benefits from the bombing of the American embassy in Lebanon, particularly since Iranian and Israeli broadcasts sent out the news that the Palestinians were involved in the episode?

Moreover, no one has forgotten the story of the crash near the Iranian border of the Argentine plane carrying Israeli arms or the story of the Palestinian guns and tanks that Israel seized in southern Lebanon and then sold to Iran.

There are many reports of oil dealings between Tehran and Tel Aviv. In a period of just 3 months, Iran sent 5 million barrels of oil to Israel. Do you need other evidence of the love between the Ayatollah and Israel?

History says that when Ahasuerus married a Jewish woman named Esther some 500 years before Christ, the Iranian people and men of religion rejected him. Now when Khomeyni is marrying Israel, the Iranian people and the true men of religion are rejecting him.

5214

CSO: 4604/23

WALI KHAN WARNS AGAINST TRUSTING U.S.

Karachi DAWN in English 31 May 83 p 4

[Text]

PESHAWAR, May 30: Khan Abdul Wali Khan, leader of defunct National Democratic Party (NDP), has warned that Pakistan should give up depending on the United States who had proved to be an undependable ally in times of need.

Wali Khan said it was advisable for the Government to hand over power to the people's elected representatives and resume their professional duties.

If this was not done soon, Wali Khan said, Pakistan may face the same predicament as Afghanistan.

Addressing his party workers on the occasion of "Shuhada-i-Takker," Day at Takker, District Mardan, on Sunday, Wali Khan said: "We are not allowed even to hold our meeting at the graves of those martyres who had laid down their lives for the cause of independence."

The liberties which people of the sub-continent enjoyed even in the era of British rulers have been snatched from them today, he said.

Commenting on Afghanistan situation, Wali Khan said a certain party was accumulating wealth from the foreign countries in the name of Jihad while the Government claimed it was trying to get the Afghanistan problem solved through peaceful negotiations.

He further said: "We are trying to convince the Government for the last two and half years to go into negotiations directly with the Af-

ghan leaders but our suggestions were not being heeded.

Bacha Khan

Earlier, speaking on the occasion, 95-year-old Abdul Ghafar Khan, known as Bacha Khan, said the revolution in the life of the nations were blessings but only those nations get fruits of these revolutions who were united. Scattered and disintegrated nations were swept away in the flood of revolution and lost their very identity.

Afghan revolution, he said, was one of the examples as the disunity and disagreements of the Afghan nation had rendered it a futile attempt.

Speaking of Pakhtoons, he said the only need for them was revival of "Pukhtoonwali" (Pukhtoon fraternity) and if this quality was revived in them no power on earth could take their rights from them.

He said some people today say Pakistan was created under the leadership of Quaid-i-Azam and was result of Allama Iqbal's dream, while the fact was that it was the Pukhtoon nation which launched the war of freedom.

It was Pukhtoon nation, he stressed, which made the British rulers quit.

Among others who attended this meeting were Haji Ghulam Ahmed Balore, Haji Mohammad Adeel, Abdul Khaliq Khan, Mohammad Afzal Khan and Abdul Aziz Kurd.—PPI.

SOVIET AMBASSADOR'S REMARKS ON AFGHAN SETTLEMENT REPORTED

Karachi DAWN in English 30 May 83 pp 1, 6

[Excerpt]

ISLAMABAD, May 29: The Soviet Ambassador, Mr. Vitaly Smirnov, said on Saturday the Soviet Union was prepared to participate in a separate settlement of the situation around Afghanistan. But, at the same time, it did not object to the questions connected with Afghanistan being discussed together with the questions of the Gulf security. Naturally, he added, this applied solely to the international aspects of the Afghan problem and not to internal Afghan affairs.

"Afghanistan's sovereignty, like its non-aligned status, must be fully protected."

In a lecture at a meeting sponsored by the Institute of Strategic Studies on "Collective security in Asia and Soviet Union's treaties of peace, friendship and cooperation with newly free countries," Mr. Smirnov accused the United States of trying to "torpedo the Geneva talks, wreck

the progress made in normalising the situation and to preserve in the region a source of tension and a pretext for interference in the affairs of the countries in this region."

However, he said, "we still think that these negotiations, which are being pursued with the assistance of the representative of the UN Secretary-General, have some prospects before them."

In its policy towards Pakistan, Mr. Smirnov said, the Soviet Union was guided by the principles of peaceful co-existence emphasising that "there are considerable potentialities for the development of relations" between the two countries. He said the utilisation of such potentialities would undoubtedly contribute to progress and prosperity of the peoples of both countries, peace and security in Asia, and all over the world."

CSO: 4600/671

PROVINCES' BUDGETARY DEMANDS LIKELY TO BE CUT

Karachi DAWN in English 31 May 83 p 1

[Article by Tariq Zaheen]

[Text] LAHORE, May 30: The original budgetary demands of the provinces as well as their requirements for fund allocations for the next Five-Year Plan are likely to undergo a blanket cut of about 50 per cent due to "money constraint" problem.

Knowledgeable sources informed "Dawn" here on Monday that the provisional changes in the basic development programme of the Sixth Five-Year Plan and the issue of shortage of funds had officially been communicated to the Provincial Governments. The matter was expected to come up for hot discussion at a high-level Economic Coordination meeting which has been convened at Islamabad on

May 31 to decide the final figures of allocations. The meeting would be presided over by President Gen Mohammad Zia-ul-Haq and would be attended by all the four provincial Governors and the Federal and Provincial Ministers concerned.

According to sources the letter sent by the Federal Government and addressed to the Provincial Governments had been despatched on last Thursday but it gave no indications about cuts in the Central Government expenditures, nor any sound reasons were given for such huge cuts in the allocations which were originally to be made to the provinces for the Sixth Plan.

According to information available the annual cut for the province of the Punjab would be something to the tune of about Rs 16,000 million and that for the province of

Sind it would be about Rs 21,000 million as against the annual demand of about Rs 41,000 million and Rs 33,000 million, respectively.

Similarly, the provinces of Baluchistan and NWFP would also get a little money as against their annual demand of about Rs eight crore and about Rs 30 crore respectively.

It was indicated that during the meeting of May 31 the provinces would demand substantial cuts in the expenditures of Centre and the public sector corporations. The planners at the provincial levels have also pointed out that at this stage of finalisation of development plans and budget allocations it would be difficult for them to make changes and convince the Local Bodies institutions especially in the smaller provinces.

CSO: 4600/671

CALL TO RAISE TAXABLE INCOME LIMIT

Karachi DAWN in English 31 May 83 p 5

[Text]

LAHORE, May 30: The All-Pakistan Tax Bar Association has recommended to the Government to raise the minimum limit of taxable income from Rs 12,000 per annum to Rs 25,000 per annum so as to provide some relief to the fixed-income group.

In a package of proposals for the next year Federal Budget, submitted to the Finance Ministry and simultaneously released to the Press on Sunday, the Association has suggested measures to streamline the functioning of the Income Tax Department, rationalising the tax structure and the channelisation of the black money, with the hope that these would bring about a healthy change in society and yield greater revenue to the State.

The Association stressed that the fixed-income group, which included Government machinery, deserved a sympathetic consideration for the smooth, systematic and efficient running of the State. As such, it was necessary that the present special rate of tax, up to salary income of Rs 21,000, introduced four years ago, should be suitably raised so that the take-home salary of this class became attractive.

About the black money, the Association recommended to the Government to call for a declaration of the hidden money, at a reasonable rate of tax so that it could be channelised in the right direction. It said that the existence of black money had never been denied by the authorities and its volume and magnitude was also in their knowledge. It, however, strongly oppose the idea put forward by certain interested quarters that

people, having black money, should be allowed to invest without taxation or any declaration.

The Association called for setting up a high-level committee, with representatives from profession, trade, industry and Government officials, to review the Income Tax Ordinance of 1979 so as to make it more systematic and logical, to plug loopholes and ambiguities, to check tax evasion and also to evolve a tax system which was fair and equitable, and which helped create an atmosphere of mutual trust and confidence between the tax-payer and the tax officials.

The Association maintained that the self-assessment scheme of income tax should be given a fair trial. However, it proposed that reopening of assessments on flimsy grounds, unnecessary involvement of allied agencies, and the harassment of the tax-payer in the detailed scrutiny cases should be avoided and there should not be yearly changes in the scheme, to enable the tax-payer to plan his tax affairs on long-term basis.

The Association also demanded that the administrative control of the Income Tax Appellate courts should be changed from the Central Board of Revenue to the Law Ministry so as to make them independent judicial forums.

It demanded that the appointments of tribunal members should be made from amongst competent and a qualified persons in the profession and the selection be made by a committee headed by a senior judge of the Supreme Court.—APP

DECLINE IN ANNUAL GROWTH RATE LIKELY

Karachi DAWN in English 29 May 83 pp I, IV

[Article by M. Ziauddin]

[Text]

THE OVERALL growth rate during the current year ending June 30, 1983 is not likely to exceed five per cent compared to over six per cent during fiscal 1981-82. According to knowledgeable sources the growth rate would have been even lower but for the agriculture sector which having dropped to 3 per cent last year from 4 per cent in the preceding year once again regained the growth momentum as a result of good weather.

The manufacturing sector, where growth rate had jumped to 12.1 per cent during fiscal 1981-82 from 9.9 per cent in the preceding year appears to have experienced appreciable slowing down for various reasons.

A relative deceleration in imports as well as exports and stagnation in production due to an unusually extended period of load-shedding seem to have contributed to a marked slowing down and according to informed circles, the manufacturing sector during the current year might find it difficult to show a growth rate beyond eight per cent.

The growth rate of mining and quarrying sector, which had slumped to 4.9 per cent last year over 13.2 per cent in 1980-81, is likely to show improvement to

around six per cent as a result of an increased financial attention which was paid to this sector on paper during the year.

The electricity and gas sector grew at the rate of 11 per cent last year over 10.9 per cent in the preceding year. But during the current year, the situation in this sector was far from satisfactory. Both its consumption and production fell far short of the desired level. The growth rate in this sector is not likely to be more than half of what it was during the preceding year.

The construction boom is evidently tapering off. Though, this sector jumped to 13.4 per cent last year compared to 4.2 per cent in the preceding year, its growth during the current year is likely to fall back to the 1980-81 level as this year too there was a marked slowing down in construction activity.

The construction boom which was triggered by the increased inflow of remittances in the late 70s is said to have subsided. Overseas workers, having blocked their money in this sector, while the prices of real estate were going up, now find it difficult to get a reasonable margin of profit on their investment.

The overall growth rate of commodity producing sectors comprising agriculture, manufacturing, mining and quarrying, construction and electricity and gas which was estimated at 7.1 per cent last year is likely to be kept from falling beyond six per cent mainly due to an improved showing in the ag-

gricultural sector compared to last year.

In view of the not very encouraging performance of the commodity producing sector, its share in the GDP, which had increased to 56.3 per cent in 1981-82 from 55.9 per cent in the preceding year, is likely to drop during the current year to beyond the 1980-81 level, thus once again improving the share of services sector to nearly 50 per cent.

According to independent economists, Pakistan's economic growth has, over the years, come to depend crucially on the growth in its export-import. They said that while agriculture, helped by consistently good weather, has been contributing significantly to the country's growth rate for some years, as also the commissioning during the last couple of years of a number of large-scale industrial projects started more than seven years back, the real difference in the overall growth rate has been made by the fast progress made on the international trade front.

This progress in international trade was made possible more by the increase in imports than by an improvement in exports which having shown some signs of picking up about a couple of years back have been stagnating for the last two years.

During the current Five-Year Plan the overall growth target was linked to an improvement of export during the period by 11 per cent and imports by 6.3 per cent. But the estimated growth during the five years in exports was only 6.5 per cent while in imports it was around 2.4 per cent.

The import target was fixed taking into account the expected import substitution in food, fertilisers, cement and sugar at the end of the Plan period. So, the fall in import actually does not reflect import substitution but a substantial drop in investment activity. The 2.4 per cent growth rate in imports dur-

ing the Plan period can be taken to reflect a matching improvement in current consumption. On the other hand, the 6.5 per cent growth rate recorded in exports during the Plan period can be taken to mean an improvement in agricultural commodity export reflecting improved performance of agriculture producing sector.

Thus, it is concluded, that during the Plan period the export growth rate did not conform to the target mainly because there was no improvement during the period of export of value-added manufactured items.

In view of the above, independent economic analysts suspect that while the current account deficit would further widen during the current year, the slump in imports and exports would have an adverse effect on the overall growth rate retarding it to around five per cent.

Imports were around 3.8 billion dollars in 1978-79. During the next three years ending June 1981-82, they rose to 5.7 billion dollars helping the growth rate to be maintained around six per cent. This year the imports were of the order of around 4 billion dollars at the end of the first nine months. It is hardly likely that they would go much beyond the last year's figure of 5.7 billion dollars by the end of June this year. This would obviously mean that the economic activity during the year was not upto the desired level.

On the other hand, the exports which had shot up from 1.6 billion dollars to 2.5 billion dollars at the end of the first nine months, of the current year with little hope of exceeding the last year's achievement. This again would mean lesser economic activity compared to last year. This has happened despite the fact that the merchandise account deficit for the current year is estimated to cross the last year's 3.4 billion dollars mark. And the current account deficit which was

around 850-900 million dollars during the last year would go beyond one billion dollars.

Remittances which had been growing at a fast pace since 1978-79 from 1.4 billion dollars to 2.3 billion dollars in 1981-82, are expected to show a relative slowing of pace during the current year. This would also be reflected in the slowing down of the overall growth rate.

However, while the international trade and remittances are normally calculated in terms of dollars, the planners are likely this year to measure them in terms of rupees thus taking advantage of around 27.82 per cent depreciation of the rupee against the dollar, on an average, during the current year, to make the growth figures in imports, exports and remittances look more respectable. And in doing so they would also be making the overall growth rate look more respectable than what it actually would be.

It may be recalled that the ADF for the current year had envisaged a 6.3 per cent growth rate, five per cent in agriculture and nine per cent in agriculture production.

The Deputy Chairman, Planning Commission, Dr Mahbubul Haq had claimed that current year's development efforts would constitute the largest in any one year over the last five years. It is not known if the efforts during the year were the largest. But according to indications the results are far from being satisfactory except in the case of agriculture.

The annual Plan had envisaged an added emphasis on private sector, aiming at a 23 per cent acceleration in the investment level, which was again claimed as the largest increase in any single year over the last decade. The Plan had also proposed a big push in industrial investment which was projected to increase by about 35 per cent. These targets are hardly likely to be met in view of the overall slump in the economic activity during the year.

MIXED REACTION TO PROPOSED BAN ON STUDENT UNIONS

Karachi DAWN in English 31 May 83 p 5

[Text]

FAISALABAD, May 30: There have been mixed reactions to the proposal by some members of the Provincial council that ban be imposed on students unions.

While some of the social circles in Faisalabad, specially parents of students have favoured the proposition, a section of the political leaders has expressed resentment and deemed it an encroachment on civil liberties.

Meanwhile the General Secretary of Islami Jamiat-i-Talaba, Mr Abdul Mateen, has vehemently opposed the move, contending that it would be contrary to national interests and aspirations.

The move, he said in a Press release had been initiated by the enemies of the Islamic ideology who were out to through the efforts of the present Government for Islamisation through subversive tactics.

He added that when these elements realised that they could not succeed against the devotees of Islam among the students, they secretly engineered a move for imposition of ban on students' activities lest they play a decisive role in Islamisation.

CSO: 4600/671

ZAKAT SYSTEM CRITICIZED

Karachi DAWN in English 31 May 83 p 6

[Text]

LAHORE, May 30: The acting president, defunct Pakistan Democratic Party, Chaudhry Arshad, has said that the existing Zakat system is absolutely wrong.

Addressing a Press conference here on Sunday, he said that the central working committee of the PDP thought that the foundation of existing Zakat system was laid on interest as it was deducted from interest-paid bank accounts.

He said deposits were "amanat" with the bank and deduction of Zakat without the consent of the account holders, was breach of trust.

He charged that the government was exploiting the institution of Zakat.

Similarly, the existing Ushr system, he said, was "un-Islamic".

Arshad Chaudhry criticised the arrest of political workers under the charge of terrorist activities and said that raising voice for the supremacy of law, democracy, revival of political process and restoration of socio-economic rights of the people, was a basic right of every citizen.

Arshad Chaudhry stressed that all political prisoners should be released.

Replying to a question, he said that working hours of the womenfolk in field and participating in other activities in the rural areas, should be included in the Gross National Product.

He supported the recommendations of the working group of the Women's Division and added that women should be given their due status in society, and their rights be safeguarded.

He said differences on 31 points would be resolved in the central committee of MRD being held in Karachi in the first week of June. Replying to another question, he assured that provincial conventions of the MRD would be held on due date in all provinces except Punjab as the "Protest Day" was being observed in Sialkot, on June 10, where workers of all component parties of the MRD would reach to lodge their protest against the disappearance of Maulana Mohammad Aslam Qureshi, a worker of the Majlis Khatam-i-Nabuwat. —

CSO: 4600/671

LABOR FEDERATION CALLS FOR REFERENDUM IN WAPDA, PLA

Karachi DAWN in English 25 May 83 p 4

[Text] PESHAWAR, May 24: The National Labour Federation has demanded immediate announcement and enforcement of labour policy as "the prolonged delay has created restlessness and anxiety among the workers due to their low salaries and high prices."

In a press conference on Monday, the organising secretary of the NLF, Mr. Rafiq Ahmed, also demanded that opportunity should be given to PREM to function in order to create harmony among the railway workers and improve efficiency.

Spelling out the problems of various workers unions affiliated with the NLF, Mr Rafiq Ahmad called for immediate referendum in WAPDA and PLA, after lifting the ban on trade unionism in the latter, with a view to ascertaining the representative character of their labour unions.

He deprecated the victimisation of trade union workers under section 17(1) A of WAPDA Act and demanded annulment of martial law regulation 52 banning trade unionism in the PLA.

Noting that prices of essential commodities were sky-rocketing, the NLF organising secretary called upon the government to adopt relief measures for labour in the next Budget.

He said private sector employees should not be deprived of the 45 per cent dearness allowance and demanded urgent extension of this facility to them.

The NLF leader also urged permanent status for workcharged employees of PWD, fixation of duty timings of tube-well operators and appointment of chowkidars in tube-wells at Bannu in NWFP.

Mr. Rafiq Ahmed said that NLF stood for peaceful settlement of all industrial disputes and was opposed to violence by workers. He believed that all disputes between employees and employers could be settled through negotiations.

When asked what was delaying labour policy announcement, he said the capitalists wanted to get hire-and-fire powers which had created a delicate situation. Such powers should never be given to factory owners and other employers, he cautioned.

Answering another question, he said NLF believed that either the right to strike should be restored or some alternate arrangements be made to ensure normal conditions. He also opposed the reported policy of depriving women of their jobs in foreign service, PLA and banks without making suitable alternate provisions. Provision of jobs to all, including women, should be the responsibility of the State, he remarked.

CSO: 4600/670

PROBLEMS OF DENATIONALIZATION OF EDUCATIONAL INSTITUTIONS DISCUSSED

Karachi DAWN in English 27 May 83 Magazine p I

[Article by Najma Sadeque]

[Text]

Eleven years after the Government nationalised schools and colleges, denationalisation is being seriously contemplated in certain quarters. Unofficially, the fall in the standard of education is being cited as one of the reasons for the proposed move. But no high-level enquiry is being first conducted to discover and confirm the root of the problem and justify denationalisation.

Interestingly, denationalisation would bring back those very conditions that led to nationalisation in the first place, because no legal cover to prevent exploitation of teachers and sub-standardisation and gross commercialisation of education is being readied when rules under nationalisation are no longer effective.

To understand the effects of denationalisation, it is essential to understand why nationalisation took place at all. The quoted findings in the articles below are drawn from Government-appointed and Martial Law Reports. The statements are also what the teachers want all parents to know.

Many are under the impression that nationalisation was merely a political or policy move that is now being undone. The following facts will perhaps be an eye-opener for most:

Martial Law Committee's Revealing Findings

In 1972, the Federal Ministry of Education published a reported entitled 'End of Misery'

which constituted the findings of the Martial Law Committee Report and the Probe Committee Report on malpractices in private colleges (May-August 1969). It is a massive book to match the number and degree of shocking revelations. They all speak for themselves as do the following extracts:

"Trustees of the (name deleted) Education Trust, Karachi, (are): Mr. X, Founder, Mr. Y, son of the Founder, Miss Z, daughter of the Founder, Mr. XYZ, Private Secretary to the Founder, Mr. ABC, an employee (driver) of the Founder's motor agency.

"The Trust is fraudulently charging from Islamia College a sum of Rs. 9 lacs for which there is no legal basis. Further, there are 13 members of the Governing Body; nine of them are employees of the Founder-President getting salaries from any one of Mr. X's institutions. The Treasurer, a lady employee, is required to rubber stamp documents. This has been admitted by the lady herself.

"The accommodation for the college has been for the present provided in two rented residential houses, owned by the wife of the college principal. A rent of Rs. 1,400 each paid for each of the two buildings is not understood." (Pp 63;66 Martial Law Committee Report).

"At the time of the disbursement of salaries by the Directorate of Education for the closure period in 1968-69, the (name deleted) College included 17 names of "ghost" teachers who were to get salaries ranging from Rs. 350 to Rs. 650. This was obviously an attempt to defraud the government and the tactic was repeated year after year to show heavy deficits.

"A sum of Rs. 30,000 was received by the college as a Government grant-in-aid in 1969. The cheque was deposited the same day in the bank, and the money transferred to the Anjuman-i-... Account." (P. 65).

About a so-called "well-reputed" college:

"Provident fund money has been deposited in a current bank account with the result that no interest accrues on the deposit. The subscribers (teachers) were deprived of the interest. The account shows a balance of 4.37 lacs. The financial loss was, therefore, tremendous. Out of the above fund a sum of Rs. 170,000 was deposited with the National Commercial Bank Ltd. and another sum of Rs. 130,000 was in the Industrial Urban Cooperative Bank. They are both said to be liquidated." (M.L.C.R. P. 6).

"Sports goods worth thousands of rupees have been purchased from a fictitious firm known as Standard Sports. Enquiry revealed that no such firm exists." (M.L.C.R.)

"The cost of dinner arranged for 18 and 25 persons has been illegally charged to Examination Charges." (M.L.C.R.)

"Rs. 34,500 were invested, out of student funds, in NIT Units in the names of Mr ... and Mr. ... without the approval of the sanctioning authority." (P.C.R.)

"It was brought to the notice of the committee that the services of the principal are at the pleasure of the Secretary of the Anjuman-i-... During the last 15 years, no fewer than 10 principals have been appointed and dismissed."

And from a contract:

"Your services will be terminated at any time without notice." (P.C.R. Pp 44-45).

It goes on and on. The malpractices and the conditions that go against all the principles of education were enough to fill a book. In fact, they did — a very large one.

The appalling fact is that these malpractices continued unabated for almost a quarter of a century before nationalisation checked some — though not all of them.

The public is under the impression that deterioration of education came about because of nationalisation. The fact is that deterioration began long before, for more than one reason.

Investment

The early sixties, entrepreneurs discovered education as the ideal small or medium-

sized investment that was free of Government regulation as far as money matters were concerned; inspection was a minimal as the implementation of the few requirements that existed. Suddenly institutions began to mushroom.

All it took was a building, the bare minimum furniture, to need for labs or libraries and the employment of grossly underpaid teachers. Indeed, all over the Punjab and Sind, exploitation of teachers became institutionalised. Education was commercialised to the most debased degree.

It became a common feature for teachers to hold a second job just to make both ends meet. Most, for lack of more remunerative employment, had to settle for private tuitions which was the least rewarding of all in monetary terms. Teachers have been known to work as part-time salesmen, clerks, typists and general assistants. Many were employed on condition they worked for no salary for upto as much as a year on the pretext of apprenticeship.

The worst and perhaps the meanest practice was to employ teachers at the beginning of the academic year on an ad-hoc basis and to dismiss them at the end of the academic year just before the summer vacations. Consequently teachers would go without salaries for three to four months of the year. At the beginning of the academic year, they would be re-employed again.

Teachers have been known to be so employed on an ad-hoc basis for as long as ten and fifteen years! But that was not all. Salaries were disbursed in cash and while receipts were made to be signed for full salary half or one-third of the amount was paid. Teachers toiling a full six-day week would receive as little as Rs. 200 as against the supposed Rs. 600 which in itself was inadequate.

Then there was the common practice of trustees or governing bodies consisting of entire families and in-laws covering several generations, and of non-existent teachers which enabled owners to milk away untold amounts.

Many institutions made do with supposedly part-time teachers so

as to pay them even less though in reality they did as much as full-time teachers.

Of course, there were exceptions, such as missionary institutions and some others set up by philanthropists and a few dedicated. But most were in it for purely commercial reasons.

The teachers' unrest, which took a very long time to come to a head because of threats of dismissal and difficulties of survival, finally led to the formation of the West Pakistan College Teachers Association. This later became the Pakistan College Teachers Association now headed by Ms Anita Ghulamali.

Matters boiled toward the first Teachers' Movement in Pakistan (later known as the March Movement of Teachers) in 1968-70.

It was precipitated when "in December 1968, private institutions professed insolvency, and the government, in its chosen posture of ignorance, refused to recognise the imminent danger" (WPCTA Report & Audited Accounts 1968/69-70).

Lip service

Institutions refused to pay salaries on that pretext and the Revolt of the Teachers was declared in February 1969. Demonstrations and processions were taken out and finally a strike held but without effect. Finally on March 2, 1969, a hunger strike was begun at the Sir Syed Girls College. On March 8, the strike was given the active support of labour, transport and business organisations. A mammoth procession was taken out and was marked, among other things, by the total absence of violence.

The day before, on March 7, a group of the WPCTA interrupted a seminar on education at the Jamia College, Malir and forced the Education Minister, Kazi Anwarul Haq, to sign a letter of resignation for his failure to solve education's problems.

In 1969-70, an Ordinance pertaining to privately managed colleges was announced, but it did little more than pay lip service to the requirement for colleges to "behave" without spelling out the specifics.

In 1971 after pressure was exerted again, the necessary clauses were added but they still did not

good as there was no punitive clause to deal with college owners in the event that they transgressed. For violation of rules, they only stood to lose affiliation with the university, but that did not affect them.

New nightmares came with nationalisation. Teachers were forced to accommodate anywhere between 75 and 200 students where one they coped with 40 at the most. It was impossible to give individual attention or assign and correct homework. Standards consequently suffered. Yet teachers were blamed for not producing miracles. Then the bureaucratic insistence too directly handle every detail of the financial affairs of each and every college brought about disaster.

The suggestion to allocate the entire budget for each college in lump sum on the basis of past expenses plus inflationary and developmental allowances, and to deposit it in a bank and leaving it to the principals to make judicial use according to individual priorities, was rejected. Funds would be released as much as upto eight months late creating endless difficulties and playing havoc with teaching when requisites were missing for indefinite period. To make matters worse, colleges were not even allowed to accept donations from individuals or organisations from among the general public even though they were desperately needed and the public was willing to give.

While in 1972, the number of college students was 45,000 it had soared to 76,000 by 1978. And while the number of teachers increased, it was not done so proportionately.

Dismayed parents, judging from the days of uncrowded classrooms and the high standards of a handful of missionary and a few other institutions, concluded that nationalisation — instead of governmental mismanagement — was the root of the problem.

Yet, uncalled for admissions on the recommendations of high-ranking officials and powerful personalities continued to be the order of the day, and merit was made more and more meaningless while the burden on teachers worsened. Whether unwilling or

unable to tackle the mess the Government has now begun to entertain the possibilities of denationalisation.

Explanation

When the Aga Khan, Memon and missionary communities sought back their institutions, the general public saw it as the first step in the direction of denationalisation. But it had actually begun in 1980 when, without the benefit of any Ordinance, the Jamia College was given a Board of Governors.

The explanation was given that this step was purely experimental to test the effects of partial autonomy. But Clause 18 of MLR 118 refutes this by far stating:

"...It would be in the public interest to so retransfer, and may in accordance with the scheme by notification in Official Gazette, direct that a college or school belonging to such class and specified in the notification shall, on and from such date as may be so specified, stand transferred to the previous management thereof subject to such terms and conditions as the Provincial Government may determine."

"Explanation: In this paragraph, 'previous management' includes the successor or legal representative of the previous management and where there is no successor or legal representative, such person as the Provincial Government may determine."

The uproar has arisen, not so much over denationalisation as over the meaningful and arbitrary implications of retransferring institutions to just anyone other than previous managements as the "Provincial Government may determine."

As a spokesman of the WPCTA maintains, since there is no

criteria laid, it could mean anyone from a relative or friend or vested interest in the form of councillors or "VIPs" or "prominent citizens," and nepotism to the worst possible degree.

The second serious worry is the transfer of colleges without first ensuring continued legal cover for teachers as was made possible through nationalisation. Once denationalisation comes about, all these protective measures and security of service would no longer apply, and unless these are ensured through Ordinances it would amount to returning teachers to exploitation once again.

It is interesting that, before nationalisation, teachers did not have the basic rights that even industrial and business labour had and this threat looms once again.

Horror

It is also interesting that there are previous managements that do not wish to take back their institutions partly because of the horror of undoing the damage done but mainly because high standards and limited classes cannot be maintained by the low fees (Rs. 25) prescribed by the Government. New institutions charge in the range of Rs 200 because they have to.

The most disturbing aspect, as pointed out by Ms. Anita Ghulamali, is that when high fees have to be resorted to, parents will no longer be able to afford to educate all their children. Choices will have to be made leading to much heartbreak and lifelong resentment at the least, and wasted talent at the most, when many are left out simply because they were the younger or less-favoured offspring.

PAKISTAN TO GET HELP IN CIVIL AVIATION

Karachi DAWN in English 30 May 83 p 18

[Text]

The UN Development Project (UNDP) and International Civil Aviation Organisation (ICAO) have assured the Civil Aviation Authority of Pakistan of continued support in all areas of expert services, equipment and foreign training in different fields of operations for the Civil Aviation Training Institute at Hyderabad.

This was stated by Air Commodore Sultan Mohammad, acting Director-General of CAA, while awarding certificates to 23 trainees in the fields of airport electronic engineering, and air traffic control at the Institute on Saturday.

Nineteen trainees including

eight from UAE were awarded certificates on completion of a 40-week course in air traffic control while four trainees received certificates in 26-week course in airport electronics engineering.

Air Commodore Sultan Mohammad said that the UNDP and ICAO have assured support to the Institute in the fields of development of civil aviation manpower and training, air traffic services, communication and navigational aids, and crash, fire and rescue, airport electro-mechanical engineering and airport management.

"It can be stated with confidence

that implementation of these projects will go a long way towards achieving a higher level of safety, reliability and regularity of civil aviation operating in or overflying

Pakistan by contributing to higher competence and training of personnel of Civil Aviation Authority", he said.

The Institute, he said, is also ready to launch a development project which will satisfy the present and future skilled manpower requirements of the CAA necessary to support the ever-increasing demands of national and international air transport system.

CSO: 4600/671

AIRPORTS PLANNED FOR AZAD KASHMIR

Karachi DAWN in English 31 May 83 p 5

[Text]

MUZAFFARABAD, May 30. Maj-Gen (Retd) Abdul Rehman Khan, President of the Azad Jammu and Kashmir, has said that two new airports in Azad Kashmir at Muzaffarabad and Rawalakot will be completed by the end of 1984 and PIA will start service to these cities.

Talking to a group of a delegation of journalists from the Punjab on Thursday he said that an Advisory Council for AJK and appointment advisers were under consideration.

Highlighting the economic, social welfare, industrial and political situation, the AJK President said a development Plan for the next five years estimated to cost Rs 5 billion was being prepared in which emphasis has been laid on the development of the infrastructure.

He said a new work of roads will be constructed under this programme.

He said for next annual development programme the Pakistan Government will provide Rs 500 million out of which Rs 50 million will

be spent through the Local Government Department for the uplift of the rural areas.

Replying to a question the AJK President said that the local bodies elections would be held this year and we hoped that everybody would participate in the elections.

Water shortage

About the scarcity of drinking water, the Maj-Gen Abdul Rahman said the UNICEF had provided pipes which helped in solving the problems.

Talking about the political situation in Azad Kashmir he said that there was no ban on peaceful political activities and many political parties were enjoying these facilities.

He said no tourist resort would be set up until and unless the basic necessities have been provided to the local people. He said if beautiful places are converted into tourists resorts they could be developed like Switzerland. He said the Govt was considering a scheme to hand over tourism to the private sector.

CSO: 4600/671

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